

CLEARINGHOUSE

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Self-Instruction Materials
for the
PSRO Management Information System (PMIS)
Federal Reports Manual

COST REPORTING

12/17/75

Note: The enclosed materials are aimed at preparing PSRO personnel to accurately submit Federal Reports Manual reporting requirements for Cost Reporting. The persons directly responsible for preparing reports should proceed through these self-instruction materials.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
U.S. PUBLIC HEALTH SERVICE
HEALTH SERVICES ADMINISTRATION
BUREAU OF QUALITY ASSURANCE

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INTRODUCTION



INTRODUCTION

This self-instruction packet contains materials designed to assist you in accurately submitting your PSRO's cost reports through use of the PSRO Management Information System (PMIS). The materials in this packet should be reviewed, and the case studies completed, by all personnel directly involved in satisfying cost reporting requirements as detailed in the Federal Reports Manual component of the PMIS.

Upon completion of these materials, it is anticipated that PSRO personnel will be familiar with the:

- . Background of the PMIS
- . Objectives of the PMIS
- . Relationships of the PMIS components
- . Objectives of cost reporting
- . Requirements for cost reporting
- . Techniques for completing the Federal Reports Manual cost reporting requirements (Form BQA 151 and Form BQA 153).

The materials in this packet are presented in seven sections, as follows:

- . I: Overview of the PMIS

This section describes the evolution and objectives of the PMIS, the relationships of the three major PMIS components, and the objectives of the field test which is being conducted on the system.

- . II: PMIS Cost and Accounting Information

This section presents a detailed description of the cost reporting system, including BQA guidelines for cost reporting, and PSRO operational relationships which impact upon cost reporting requirements as outlined in the Federal Reports Manual.

. III: Federal Reports Manuals -- Cost Reporting

This section describes the quarterly PMIS PSRO cost reports and provides instructions for their completion. The two cost reports described in the Federal Reports Manual which are the subject of these materials are:

- BQA 151: Quarterly PSRO Function Cost Summary
- BQA 153: Quarterly Delegated Hospital Function Cost Summary

. IV: Cost Allocation Review

This section offers a review of many of the basic concepts that may be common problem areas for PSROs. This review is presented in the form of a series of questions and answers.

. V: Case Studies for BQA 151: Quarterly PSRO Function Cost Summary

This section contains three case studies demonstrating how to complete form BQA 151.

. VI: Case Studies for BQA 153: Delegated Hospital Function Cost Summary

This section contains two case studies demonstrating completion of form BQA 153.

. VII: Problem Log

Circumstances arise from time to time when the accounting procedures employed by a PSRO does not seem to lend itself to generating costs as defined in the Cost Reporting requirements of the Federal Reports Manual. This section will document problems encountered by PSROs in meeting these reporting requirements, and contribute to the overall PMIS Problem Log which each PSRO is to maintain.

Some of the terms to be used in this manual, and their definitions, are:

. Certified Days

The number of days of hospital stay determined to be medically necessary.

- Concurrent Admission Certification Review

Review of the medical necessity for patient admission to a hospital performed either at the time of admission, or shortly thereafter.

- Continued Stay Review

The review of patient status to determine if continued hospitalization is medically necessary and therefore warrants a consideration of extension of days of certified hospital stay.

- Delegated Hospital

A hospital where certain elements of the review process have been assigned to the hospital, with the PSRO maintaining a monitoring role.

- Denial of Admission

A determination, at the point of concurrent admission certification review, that a further hospital stay is not medically necessary.

- Federal Procurement Regulations (FPRs)

The regulations employed to control the conduct and expenditures of Federally funded programs.

- MCE Study

Medical Care Evaluation Study. A study designed to assess the appropriateness and quality of patient care rendered. At this time, MCE studies are primarily concerned with acute hospital care.

- MOU

Memorandum of Understanding. The document developed between PSROs and hospitals, fiscal intermediaries, etc., which identifies the responsibilities of each party for various activities and costs.

- Pre-admission Certification Review

Authorization of in-hospital treatment prior to the admission of the patient.

- SRS

Social and Rehabilitation Service. The Federal agency having responsibility for administration of the Medicaid program (Title XIX).

- SSA

Social Security Administration. The Federal agency having responsibility for administration of the Medicare program (Title XVIII).

I. OVERVIEW OF THE PMIS

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1.1 Background of the PMIS

The development of the PMIS, as a system to satisfy PSRO Federal reporting requirements, began with an assessment of management systems used in prototype PSRO projects, and a review of the data requirements for PSRO program evaluation purposes. Subsequently, an Interagency Work Group with representatives from the Bureau of Quality Assurance (BQA), the Social Security Administration (SSA) and the Social and Rehabilitation Service (SRS), scheduled a series of site visits with organizations engaged in health care review. These meetings focused on the information systems currently in place, their use, and their potential for modification for PSRO purposes.

Based on the review of existing systems, and on selected site visits, the first draft of the PSRO Management Information System (PMIS) was designed and presented to interested DHEW agencies for review and comment. On the basis of these comments, a second draft was developed, presented to the National Professional Standards Review Council, and pilot tested in two operating PSROs during the fall of 1974. The intent of the PMIS is to provide guidance to local PSROs for developing the management feedback necessary for sound operation, as well as to meet the routine information requirements of DHEW, the National Professional Standards Review Council, and other Federal level agencies such as OMB and Congress. As a result of the pilot test and comments received, the PMIS was revised further. The current version of the PMIS has been approved by the Office of Management and Budget (OMB) for installation in all currently designated conditional PSROs, and is to be subjected to a full scale field test by December, 1976. At that time, any modifications found necessary as the result of the field test experience will be included and submitted to OMB for final approval.

1.2 Purposes and Uses of PMIS

The Federal reporting requirements are intended to accomplish the following purposes:

- . To fulfill the intent of Section 1155 (f) (1) (B) of P.L. 92-603, the 1972 amendments to the Social Security Act, which mandates DHEW to establish Federal reporting requirements for the PSRO program
- . To define that set of information which will both assist each PSRO to monitor and assess its activities at the

local level and allow the Federal Government to meet its monitoring responsibilities

- . To build a data base for preparing reports to compare the extent and type of review activities and expenditures with the pattern for PSROs with similar characteristics
- . To identify areas for potential technical assistance needs
- . To allow the Federal Government to obtain summary information on PSRO activities and costs to contribute to contract renewal decisions.

Data derived from compliance with the PMIS reporting requirements will assist in PSRO operations and management at all levels of PSRO involvement. Specific uses at each level would include:

- . Assisting delegated hospitals in managing their review process and in monitoring hospital service utilization
- . Assisting PSROs in:
 - Managing review activities in non-delegated hospitals;
 - Monitoring review activities and service utilization in all hospitals;
 - Documenting efforts made to improve the medical care delivered in the PSRO area;
 - Managing current operations and planning for future needs; and
 - Satisfying contract negotiation and renewal requirements.
- . Assisting Federal agencies in:
 - Monitoring PSRO activities;
 - Monitoring hospital service utilization and review cost trends and activities;
 - Administering the national program;
 - Expediting the contract renewal process;

- Reporting to the National Professional Standards Review Council, DHEW, and Congress;
- Providing technical assistance to PSROs; and
- Providing feedback to PSROs on activities of peer groups and other PSROs.

Given these uses of PMIS data, the importance of this system to the PSRO program is clear. However, it must be stressed that the PMIS is not designed to satisfy all data needs at the local PSRO and hospital levels, and that many additional tabulations of differing types of data will probably be required by each local PSRO to satisfy its individual requirements.

1.3 PMIS Components

The PSRO Management Information System is comprised of three components:

- . The Federal Reports Manual
- . The Contracts Management Manual
- . The Federal Reports Analysis Manual

Individually, each component describes a series of reports which will either be sent by the PSROs to BQA, or vice versa. Together, however, they describe an information system designed to meet all of the functions described in Section 1.2 while minimizing or eliminating the burdens of duplicative reporting on the part of PSROs.

The Federal Reports and Contracts Management Manuals describe the reporting requirements of PSROs and, as such, provide the raw data which are the inputs to the information system. The Federal Reports Analysis Manual describes the output measures of the system -- the information available for feedback to PSROs, reporting to Congress, DHEW, etc. Each of the components is itself divided into sections by function, as is illustrated in the following discussions.

1.3.1 Federal Reports Manual

The first component of the PMIS, the Federal Reports Manual, describes four areas of reporting requirements: Concurrent Review Reporting; Medical Care Evaluation Study Reporting; Cost Reporting; and reporting of the PSRO Hospital Discharge Data Set (PHDDS) for all Federally funded discharges reviewed. All reports are designed to be directly useful at all levels of PSRO activity, as well as to serve as input to the Federal Reports Analysis component of the PMIS.

Concurrent Review Reporting

This section of the Federal Reports Manual describes the Concurrent Review Activity Summary (BQA 121), which provides information regarding:

- Admission certification volume;
- Physician advisor involvement in admission certification decisions;
- Continued stay review;
- Certified days approved and utilized; and
- Length of stay.

At the local level, these data will aid delegated hospitals in monitoring their concurrent review activity, assist PSROs in monitoring the review activities of all hospitals in their area, and provide concurrent review workload data for PSRO planning and management purposes.

At the national level, the reports will enable the involved Federal agencies to monitor the amount and type of concurrent review activity being performed by PSROs, allow for comparison of concurrent review activities among PSROs, and provide PSRO workload indicators for program planning and contract negotiations.

Medical Care Evaluation Study Reporting

This section describes three reporting instruments: the Medical Care Evaluation Study Abstract (BQA 131); the MCE Re-study Report (BQA 133); and the MCE Study Status Report (BQA 135).

At the local level, these reports will assist hospitals in monitoring the studies performed in their institutions and assist each PSRO in monitoring the MCE studies performed in its area.

At the national level, these reports will enable Federal agencies to monitor MCE study activity and performance, provide identification of PSROs requiring additional technical assistance in conducting MCEs, and enable the establishment of a clearinghouse for circulating successful MCE study methodologies and criteria among PSROs.

. Cost Reporting

This section describes two reporting instruments: the Quarterly PSRO Function Cost Summary (BQA 151); and the Quarterly Delegated Hospital Function Cost Summary (BQA 153). These reports will enable PSROs to monitor expenditures by cost function both, for their own operation and for those of their delegated hospitals. Nationally, it will allow assessment and comparison of review and management costs, and, with the addition of data reported under the Contracts Management Manual component of the PMIS, provide financial data for contract monitoring, management, and planning.

. PHDDS Reporting

This section describes the data elements to be furnished to BQA, on a quarterly basis, for all Federal* patients reviewed by the PSRO and its delegated hospitals.

At the local level, it will provide for the establishment of a computerized data base capable of producing profiles and norms, and for monitoring changes in patterns of hospital service utilization, within the PSRO area.

At the national level, it will allow the establishment of a computerized data base capable of producing norms, monitoring of changes in patterns of hospital utilization within and across PSRO areas, statistical comparisons of hospital utilization in PSRO areas, and producing modified profiles. The national data base will lack provider and patient identifiers.

1.3.2 Contracts Management Manual

The second component of the PMIS, the Contracts Management Manual (still under development), describes three areas of reporting requirements: Instructions for Conditional PSRO Applicants; Instructions for Annual Renewal Applications; and Instructions for Quarterly Progress Reporting.

The primary goals of the Contracts Management Manual are to:

- . Guide PSROs in preparing applications and progress reports required under Federal Procurement Regulations

*Patients for whom the expected principal source of payment is Maternal and Child Health, Medicare or Medicaid programs.

- . Standardize application and progress report formats to save PSRO time in preparing the documents, and BQA time in reviewing the applications.
- . Contribute to objective and efficient contract negotiations
- . Assist PSROs in formulating plans for the coming year.

Information required under the Contracts Management Manual will be complementary to, rather than duplicative of, information required under the Federal Reports Manual. All definitions will be consistent between the two input components of the PMIS.

The information to be supplied through this process will be baseline in nature and will include details on:

- . PSRO membership status
- . Status of MOUs
- . Characteristics of the PSRO area
- . Details of non-physician practitioner involvement in PSRO activities
- . Data system plans
- . Descriptions of review activities
- . Training plans
- . Budget planning.

1.3.3 Federal Reports Analysis Manual

The third component of the PMIS, the Federal Reports Analysis Manual, is the output component of the PMIS and, as such, ties the system together. The manual, currently under development, has three primary objectives:

- . Providing statistical and aggregate data to Federal agencies and Congress for purposes of monitoring the program
- . Providing statistical and aggregate data to PSROs to aid in the management of activities and to allow PSROs to compare themselves to similar PSROs

- . Providing data for long-range planning by the PSROs and the Federal monitoring agencies.

1.4 Financial Management Accounting System (FMAS)

A separate technical assistance document for the PSRO Management Information System is the Financial Management Accounting System. This is a support document prepared to assist Professional Standards Review Organizations in designing and implementing financial management and accounting systems that will enable the PSRO to meet its financial information needs, and to readily generate the necessary cost data to complete the Federal Reports Manual cost report and contract reporting requirements. The FMAS is a system that has a basic traditional accounting format with a medical care review program orientation.

The Financial Management Accounting System Manual is organized to provide:

- . A general description of the financial management and accounting process
- . A proposed chart of accounts
- . A detailed description of budgeting
- . A description of accounting for PSRO purposes
- . A detailed description of reporting systems and procedures.

1.5 PMIS Field Test

The development of the PMIS is a continuing process, paralleling the evolution of the PSRO program. This development will follow two tracks: the development of materials for management of PSRO activities not previously covered by the system, but identified as being necessary; and the revision of existing materials.

To accomplish this, a field test will be conducted for a period of 14 months at selected PSROs. Specifically, the objectives of the field test are to:

- . Determine the technical feasibility of collecting and processing the information presently stipulated for the PMIS
- . Assess the utility of PMIS information at all levels of PSRO and program management
- . Estimate the cost of collecting and preparing PMIS data
- . Identify additional needs for management materials not presently contained in the PMIS.

These specific objectives will be accomplished by investigations in areas such as the following:

- . Data utility studies at all levels of PSRO management
- . Selected data audit studies to verify validity and accuracy of reported data
- . Time and effort, and cost, studies to determine the level of resources required to operate the system
- . Ongoing problem identification and special studies to determine how the system may be improved.

Two groups of PSROs will participate in the field test:

- . All PSROs will be asked to maintain problem logs to identify any problems encountered in satisfying PMIS reporting requirements
- . Selected PSROs (8-10) will participate in in-depth studies of areas noted above, i.e., data audit, effort and cost studies, etc.

II. PMIS COST AND ACCOUNTING INFORMATION

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In the preceding Section, an overview of the PSRO Management Information System was presented. Cost reporting, an important element of the overall system, is discussed in this Section.

Exhibit II-1, following this page, presents a simplified view of the cost and accounting information flow within PMIS. The operational guidelines indicated in the Exhibit are specified in several manuals prepared by the Bureau of Quality Assurance, and by the terms of each specific PSRO's contract with DHEW. The BQA manuals containing information relevant to cost and/or accounting topics include:

- . Federal Reports Manual (FRM)
- . Contracts Management Manual (CMM)
- . PSRO Financial Management Accounting System (FMAS)

The FRM specifies the cost reports required from PSROs; these reports are important for overall program analysis and control. The CMM reporting requirements relate to specific PSRO contracting objectives. The FMAS establishes an optional accounting system for PSRO use in developing the required PSRO reports. A brief synopsis of these manuals follows:

2.1 Federal Reports Manual (FRM)

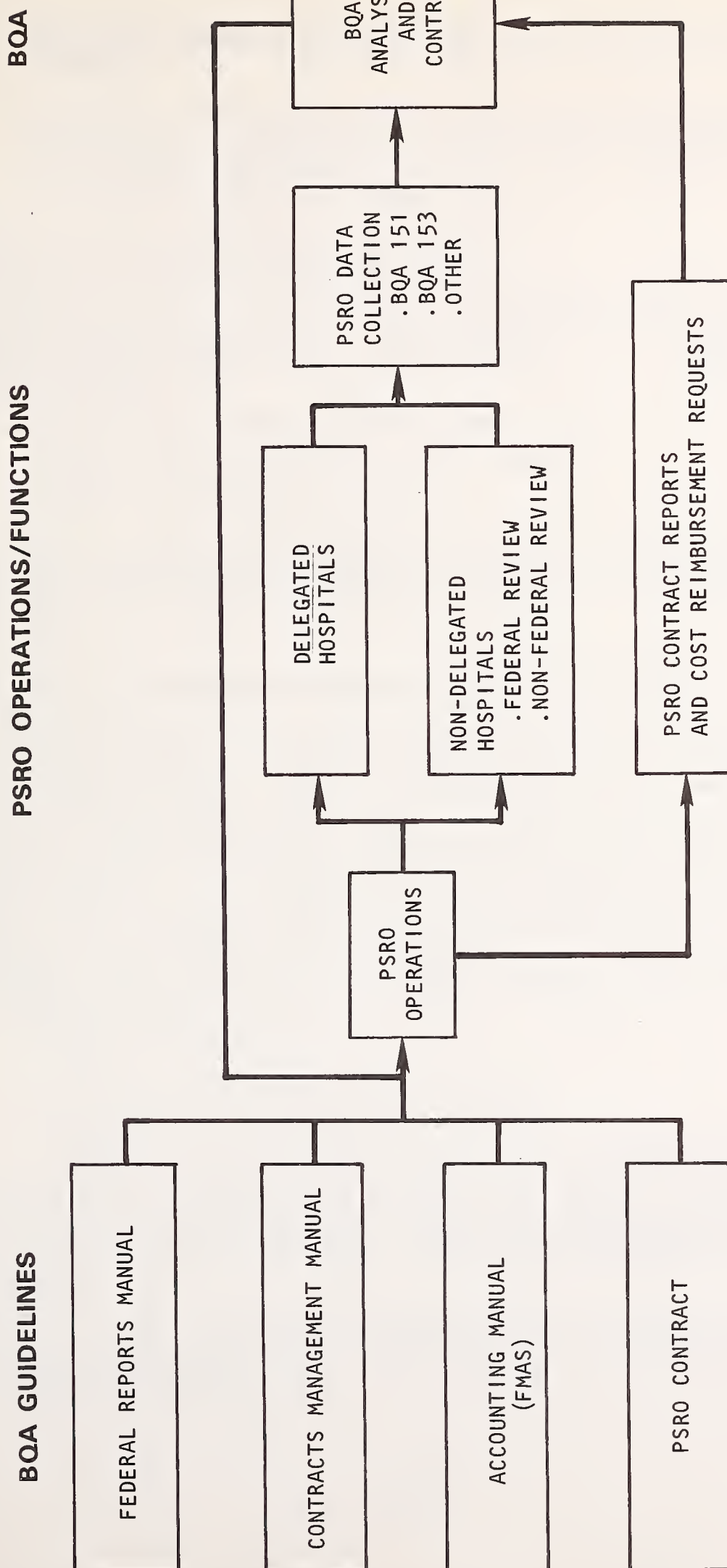
The FRM is a formal PMIS reporting requirement. The reporting requirements primarily include cost information that is useful at the Federal level for overall program evaluation and control. The specific cost reporting forms are as follows:

- . BQA 151 "Quarterly PSRO Function Cost Summary"

This is a quarterly report showing PSRO costs based on a dual cost classification system. Costs are classified by: (1) "cost component," natural classifications including labor costs, contract costs, travel costs, etc.; and (2) "function," the objective classification of costs by specific PSRO functions.

Some PSROs may perform both Federal review and non-Federal review activities. Where the PSRO contract excludes non-Federal review activities for Federal reimbursement, the PSRO must file two separate BQA 151 reports: one showing costs of Federal review activities which are reimbursable, and one showing costs of non-Federal review activities which are non-reimbursable by the Federal Government.

PMIS COST/ACCOUNTING INFORMATION FLOW



- . BQA 153 "Quarterly Delegated Hospital Function Cost Summary"

This is a quarterly report to be completed by delegated hospitals. The PSRO is responsible for consolidating the delegated hospital reports and submitting an aggregate report to BQA.

2.2 Contracts Management Manual (CMM)

The CMM is a formal PMIS reporting requirement for conditional PSROs and establishes the reporting procedures for PSRO contract administration and reporting. Specifically, the CMM contains information about:

- . Conditional PSRO Contract Application
- . Conditional PSRO Contract Renewal
- . Quarterly Cost Reporting.

The accounting reports required in the CMM include the periodic PSRO vouchers submitted to HEW for contract reimbursement, and the contract financial reports showing budget and actual cost comparisons.

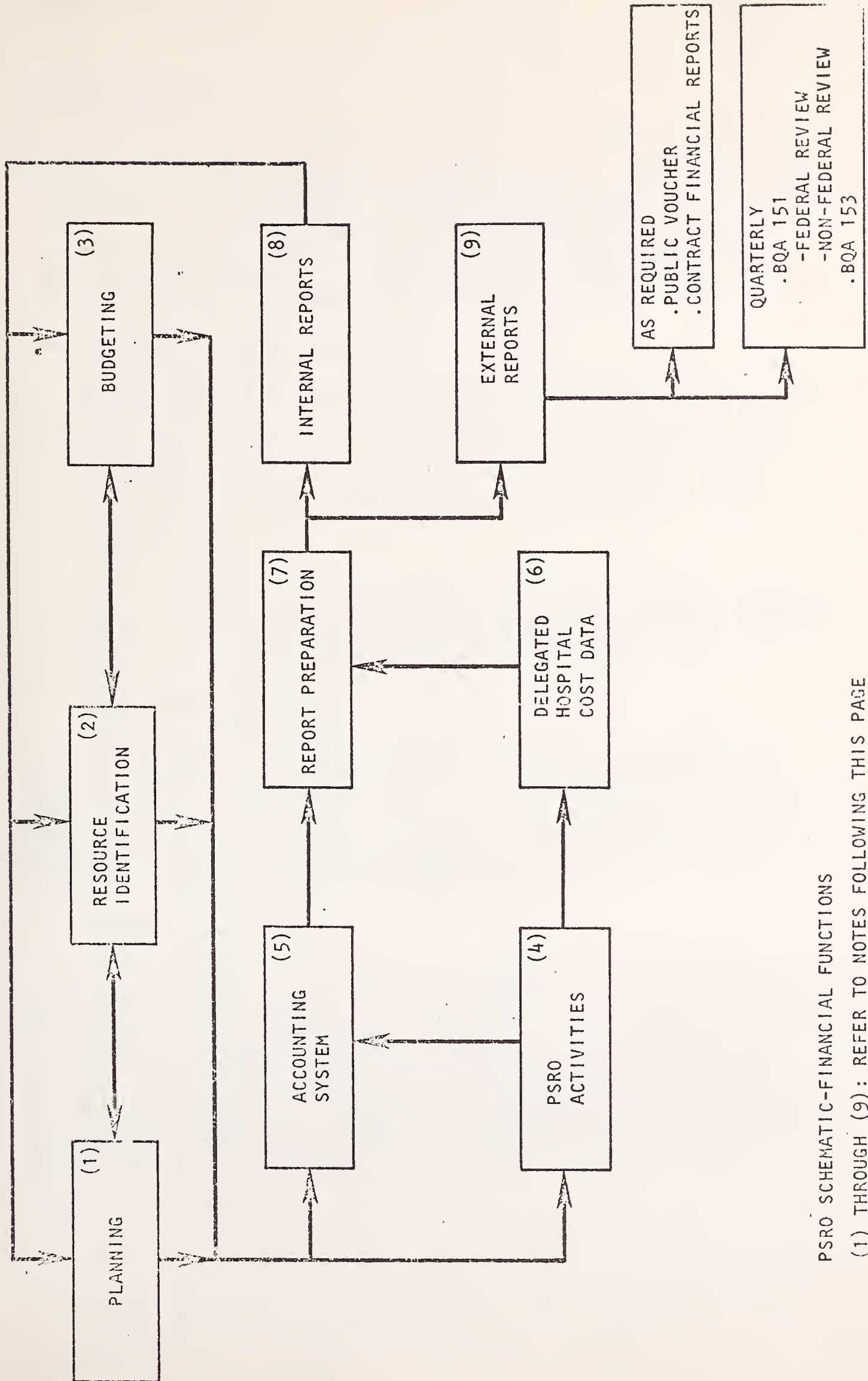
2.3 Financial Management Accounting System (FMAS)

The FMAS offers an optional accounting system designed to assist in establishing a system for managing and controlling PSRO financial transactions. Due to the dissimilarity between PSROs in terms of organizational structure and scope of activities, it is impossible to develop an accounting system that will serve all PSRO requirements. For example, a relatively small PSRO, with all delegated hospitals and conducting only Federal review activities, requires a very simple accounting system consisting of a disbursements ledger and a cash account contract. A larger PSRO, having a wide range of Federal and non-Federal review activities, requires a more sophisticated accounting system including, for example:

- . Chart of Accounts
- . General and subsidiary ledgers
- . General and supporting journals
- . Adequate written procedures for internal controls.

The PSRO Financial Management Accounting System was designed to assist PSROs in satisfying cost reporting requirements and, at the same time, assist in day-to-day financial management of the PSRO organization.

Exhibit II-2, which follows this page, presents a schematic of PSRO financial functions. The numbers in the boxes correspond to the following notes:



PSRO SCHEMATIC-FINANCIAL FUNCTIONS

(1) THROUGH (9): REFER TO NOTES FOLLOWING THIS PAGE

(1) Planning

This function determines the activities an organization is to pursue and their area of operations. In the case of a PSRO, decisions are made regarding activities for satisfying PSRO program requirements, such as profile analysis, delegation, policy and procedures regarding MCE studies, concurrent review, plans for long term and ambulatory care review, etc. Planning is an iterative process where management objectives are compared to real events.

(2) Resource Identification

This may be a separate function or part of the planning or budget function. Once the PSRO's objectives have been defined, the scope of the work must be considered in terms of anticipated workload. Resource identification, therefore, is primarily concerned with personnel resources. However, other types of support resources may be significant factors.

(3) Budgeting

This function requires input from resource identification and must include consideration of the timing of all receipts and expenditures. Specific PSRO budgeting guidelines will be included in the Contracts Management Manual.

(4) PSRO Activities

Management of PSRO activities should be within the operating parameters established in the negotiated budget and contract. PSRO activities include receipt and disbursement of funds which are recorded in the accounting system. PSRO activities may also include delegating PSRO functions to hospitals which must provide accounting information to the PSRO for external reporting requirements.

(5) Accounting System

This function includes the mechanism and procedures for classifying and recording all expenditures and revenues according to the policies established by the organization's management. Included are all journals: general, payroll, accounts receivable, accounts payable, etc. An important element is the PSRO chart of accounts which must be designed for the particular needs of the organization. The system should be developed to conform to general accepted accounting practices, and to be auditable by both Federal and the organization's auditors.

(6) Delegated Hospital Cost Data

As summarized in the Federal Reports Manual, PSRO reporting requirements include the consolidation of delegated hospital accounting information. (Refer to the discussion under the External Reports section below (9)).

(7) Report Preparation

Reports are prepared using data from the accounting system and from delegated hospitals. These reports are classified as internal and external. Internal reports are used by management to control PSRO assets and to manage PSRO activities. External reports are issued to outsiders for purposes of documentation and cost reimbursement.

(8) Internal Reports

These are reports prepared to assist the membership and management, i.e., the Executive Director, Medical Director, and Business Manager. These reports may include normal accounting reports such as the balance sheet, income statement, cash flow reports and other specialized reports. These reports will probably be required monthly.

(9) External Reports

These are reports prepared for external organizations such as the Bureau of Quality Assurance (BQA), and other governmental agencies. The reports include:

. Public Voucher

Submitted to claim reimbursement for costs in accordance with the agreement between the PSRO and DHEW. This report is usually submitted monthly, but may be submitted more or less frequently depending upon PSRO requirements.

. BQA 151

This report is the "Quarterly PSRO Function Cost Summary" which must be submitted within 45 days following the standard reporting quarter, defined in the Federal Reports Manual as follows:

<u>Calendar Quarter</u>	<u>Inclusive Dates</u>	<u>Final Due Date</u>
1	1 January - 31 March	15 May
2	1 April - 30 June	14 August
3	1 July - 30 September	14 November
4	1 October - 31 December	14 February

The BQA 151 requires detailed cost reporting of PSRO activities, and is the most difficult external report to prepare. The detailed instructions for preparing the BQA 151 are presented in Section III; these instructions should be used as a continuing reference when preparing the BQA 151.

When a PSRO conducts non-Federal activities/reviews, a separate BQA 151 must be used to report the costs associated with the non-Federal programs.

BQA 153

This report is the "Quarterly Delegated Hospital Function Cost Summary" and is required for the same time periods as the BQA 151. This report is a consolidation of cost data received from delegated hospitals. PSRO management must coordinate with delegated hospitals for the timely receipt of the BQA 153 in order for the PSRO accounting personnel to prepare the necessary consolidated report.

2.4 Proposed Chart of Accounts

A chart of accounts for an accounting system is similar to a book's table of contents. A proposed chart of accounts for PSROs is presented below to provide an overview of an accounting system more suitable for larger PSROs; smaller PSROs may use the same basic structure and exclude unnecessary accounts.

The recommended uniform chart of accounts:

- . Provides for recording all financial transactions in an organized, methodical manner
- . Provides for summarization of data with minimal effort
- . Provides a framework for monitoring current operations
- . Supplies needed financial information to all managers
- . Interfaces with other data required by the PMIS.

The establishment of the chart of accounts is a fundamental requirement for each PSRO in designing and implementing a PSRO accounting system. While the Quarterly PSRO Function Cost Summary must be adhered to, to insure national uniformity of reports and comparability of cost data, the account structure presented below will provide PSRO management with considerable flexibility when accumulating program expenses. The chart of accounts outlined is derived from the recommended PSRO Financial Management Accounting System, the subject of a separate technical assistance document.

The account coding in the following example is based on a five (5) digit number; three digits for the General Ledger Accounts and two digits for Subsidiary Ledger component cost cases.

<u>Code</u>	<u>Type of Account</u>
100	Asset
200	Liability
300	Fund Balance
400	Revenue
700	Expenses - Federal Program
800	Expenses - Other Programs
900	Expenses - Indirect.

The PSRO cost reporting requirements, as discussed above, include a dual cost classification showing cost both by component and by function. The proposed accounting system separates costs by function in the General Ledger. The functional classification system is based on BQA cost reporting requirements, the specific functions being:

- . Short Stay Review
 - Concurrent Review Activity
 - Medical Care Evaluation Studies
 - Profiles and Norms
 - Hospital Assessment and Monitoring
- . Long Term Care Review
- . Ambulatory Review
- . Administration.

The second cost classification is the cost component, which is also a BQA cost reporting requirement. The General Ledger is used to classify cost by function, as explained above; therefore, to also classify cost by components, a special Subsidiary Ledger must be maintained. The current cost components are:

- . Salaried Personnel Costs
 - Review Coordinators
 - Technical
 - Administration
 - Support
 - Employee Fringe Benefits
 - Premium Pay
- . Consulting Costs
 - Physician Advisors
 - Physicians
 - Data
 - Legal and Accounting
 - Other
- . Subcontract
 - EDP
 - Other
- . Travel
 - Local Travel
 - Out-of-Area Travel

- . Furniture and Equipment
- . Support
 - Office Space
 - Office Supplies
 - Reproduction and Printing
 - Postage
 - Telephone
 - Other
- . Indirect.

In order to classify cost components, an additional two digit number is required for coding all PSRO Federal review activities that are reimbursed under a DHEW contract. Therefore, all PSRO Federal review transactions require a five (5) digit account code. For example, the account number for a salaried accounting clerk working in PSRO administration is:

740-04

740	-	General Ledger Account Code
04	-	Subsidiary Ledger Account Code

The account coding is usually indicated on the document supporting the original entry. The coding process involves determining the General Ledger accounts and assigning the appropriate three (3) digit code to the debit and credit accounts. When a transaction involves a PSRO expense (a 700 series account), a two (2) digit Subsidiary Ledger account code must also be assigned.

A more detailed discussion of the General Ledger and Subsidiary Ledger account coding structure follows:

. General Ledger Account Codes

The structure of the three (3) digit General Ledger Account Code is a method of classifying the account; for example, the account No. 123 breakdown is:

1XX : The first digit indicates the type of account, e.g., asset.

X2X : The second digit indicates the classification of the account within each of the major types of account, e.g., accounts receivable.

XX3: The third digit indicates the exact account within the major classifications e.g. third party agencies.

The first two digits in the three-digit series describe classification with each major type, as follows:

<u>Code</u>	<u>Account Classification</u>
100	Asset
110	Cash
120	Account Receivable
130	Other Current Assets
150	Fixed Assets
200	Liability
210	Current Liabilities
220	Other Liabilities
300	Fund Balances
310	Operating Fund
320	Other Fund
400	Revenue
410	Contract Revenue-Federal Program
420	Contract Revenue-Third-Party Agencies
430	Contract Revenue-Other Program
440	Revenues - Miscellaneous
450	Disallowed Federal Government Billings
700	Expenses - Federal Programs
710	Short-stay Review Activity
720	Long-term Care Review Activity
730	Ambulatory Review Activity
740	Administration
800	Expenses - Non-Federal Programs
810	Contract Expenses - Third Party Agencies
820	Contract Expenses - Other Program
830	Expenses - Miscellaneous
900	Expenses - Indirect (Used only by PSROs with a negotiated indirect cost rate.)

The third digit used to indicate the exact account in this system is as follows:

<u>Code</u>	<u>Account Name</u>
<u>Assets</u>	
110	Cash
111	Cash-in-Bank
112	Petty Cash
115	Short-Term Investment/Deposits
120	Accounts Receivable
121	Federal Government
122	Federal Government Suspensions/ Disallowances
123	Third Party Agencies
124	Other Programs
125	Miscellaneous
130	Other Current Assets
131	Inventories
132	Prepaid Expenses
150	Fixed Assets
151	Furniture and Equipment
152	Allowance for Depreciation - Furniture and Equipment
<u>Liabilities</u>	
210	Current Liabilities
211	Accounts Payable
212	Accrued Expenses Payable
213	Salaries Payable
214	Federal Income Taxes - Withholding
215	State Taxes - Withholding
216	FICA Payable
217	Federal and State Unemployment Taxes
218	Notes Payable
220	Contract Advances
221	Federal Contract Advance
222	Other Contract Advance
230	Long-Term Liabilities
231	Notes Payable to Banks
232	Notes Payable to Others
<u>Fund Balances</u>	
310	Operating Fund
320	Other Fund

Revenues

410	Contract Revenue-Federal Program
420	Contract Revenue-Third Party Agencies
430	Contract Revenue-Other Program
440	Revenues - Miscellaneous
450	Disallowed Federal Government Billings

Expenses - Federal Program

710	Short-Stay Review Activity
711	Concurrent Review
712	Medical Care Evaluation Studies
713	Profile and Norms
714	Hospital Assessment and Monitoring
720	Long-Term Care Review Activity (Specific functions not yet defined)
730	Ambulatory Review Activity (Specific functions not yet defined)
740	Administration

Expenses - Non-Federal Programs

810	Contract Expenses - Third Party Agencies
811	Concurrent Review
812	Medical Care Evaluation Studies
813	Profile and Norms
814	Hospital Assessment and Monitoring
815	Long-Term Care
816	Ambulatory Review Activity
817	Administration
820	Contract Expenses - Other Program (Specific function sub-accounts may be established)
830	Expenses - Miscellaneous

Expenses

900	Indirect Expenses (This is a clearing account used only for accumulating actual and negotiated indirect PSRO expenses)
-----	---

In order to classify costs by the component designation, (i.e., salary, contracts, etc.), the Federal review expenses (700 series) require a five (5) digit number. The last two digits are component cost codes and are used for posting the Subsidiary Ledger for component costs, as follows:

<u>Component Code</u>	<u>Description</u>
<u>Salaried Personnel Costs</u>	
01	Review Coordinators
02	Technical
03	Administration
04	Support
08	Employees Fringe Benefits
09	Premium Pay
<u>Consultant Costs</u>	
10	Physician Advisors
11	Physicians
12	Data
13	Legal and Accounting
14	Other
<u>Subcontract</u>	
21	EDP
22	Other
<u>Travel</u>	
30	Local Travel
35	Out-of-Area Travel
<u>Furniture/Equipment Purchases</u>	
40	Furniture and Equipment Purchases (Used by PSROs when purchasing Government-owned assets)

Support Costs

51	Office Space
52	Office Supplies Purchased
53	Reproduction and Printing
54	Postage
55	Telephone
56	Other

Indirect Costs

90	Indirect Cost Applied (Used only by PSRO's with a negotiated indirect cost rate)
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There are many other cost classifications that may be included in the above proposed component designations. The advantage of the above is that it matches current cost reporting requirements and can be easily modified and/or expanded to accommodate future PSRO reporting requirements.

III. FEDERAL REPORTS MANUAL - COST REPORTING

III. FEDERAL REPORTS MANUAL - COST REPORTING

This section describes the quarterly PSRO cost reports and provides instructions for their completion. The cost reports covered in the Federal Reports Manual are:

- . BQA 151 Quarterly PSRO Function Cost Summary
- . BQA 153 Quarterly Delegated Hospital Function Cost Summary.

Forms BQA 151 and BQA 153 are to be submitted to BQA on a quarterly basis, not later than 45 days after the end of each quarter:

<u>Calendar Quarter</u>	<u>Inclusion Dates</u>	<u>Final Due Date</u>
1	1 January - 30 March	15 May
2	1 April - 30 June	14 August
3	1 July - 30 September	14 November
4	1 October - 31 December	14 February

The cost reports are designed to require a minimum of effort from each PSRO in terms of data collection and display, while providing DHEW with necessary management information. The breakdown of cost components in these reports is coordinated with contract financial reporting requirements to minimize duplicate record keeping and to allow integrated analysis of all cost reports. It should be noted that all costs are to be rounded to the nearest dollar.

The BQA 151 and BQA 153 reports provide columns for reporting the FTE for each category of labor. The FTE is the total number of hours worked in the quarter divided by the number of regular working hours in the quarter based on a 40-hour week. A detailed discussion of each report follows.

3.1 BQA 151: Quarterly PSRO Function Cost Summary

A sample report follows this page, Exhibit III-1; it presents quarterly costs by major functional areas. The reported cost information should be based on modified accrual so that costs are included in the quarter they are consumed; exceptions to this rule are the BQA 151 cost components (row G) "Furniture and Equipment" and (row H) "Support Costs."

Costs Relate to: (check one) <input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		PSRO NO.				
		QUARTERLY PSRO FUNCTION COST SUMMARY		PSRO NAME		PSRO NO.				
				REPORTING PERIOD DATES FROM		TO				
		Month	Year	Month	Year	TOTALS				
COST COMPONENTS	FULL TIME EQUIVALENTS	CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs 1. Review Coordinators	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
2. Technical										
3. Administration										
4. Support										
5. Subtotal Personnel Costs										
B. Employee Fringe Benefits										
C. Premium Pay										
D. Consultants 1. Physician Advisors										
2. Physicians										
3. Data										
4. Legal and Accounting										
5.										
6.										
7. Subtotal Consultants										

[illegible]

3.1.1 Assigning Costs to Function Categories

"Personnel costs" (rows A, B, C) should be assigned to function categories based on personnel time spent in the different functional activities. "Consultant costs" (row D) should be assigned by subject of consultation, or in the case of physicians, by the amount of time spent in different functional activities. "Subcontract costs" (row E) should be divided by the type of costs. "Travel costs" (row F) should be assigned by reason for the trip. "Furniture and Equipment" (row G) should be reported under "Administrative Costs" (column 7). "Support Costs" (row H) should be assigned to "Administrative Costs" (column 7) unless particular costs are large and directly identifiable with function categories (1) - (6). Report "Indirect Costs" (row I) under "Administrative Costs" (column 7).

3.1.2 Reporting Costs for Other Than PSRO Federal Review

A PSRO may perform review not reimbursed by Federal sources under agreements with private insurers, unions and industry. "Federal" costs refers to those PSRO costs expended for review of Federal patients (Medicare, Medicaid, Maternal and Child Health) for which BQA/DHEW reimbursement has been/will be appropriately requested. "Non-Federal" costs refer to costs for review of all other patients. The non-Federal costs should not be reported on the same form with Federal costs. A separate BQA 151 Report is to be completed, to distinguish the two types of costs incurred by the PSRO. In the report on non-Federal review, only the sub-total and total costs for each cost component row need be completed. This includes sub-totals for cost components (A) Salaried personnel," (D) "Consultants," (E) "Subcontracts," (F) "Travel," (G) "Furniture and Equipment," (H) "Support Costs," (I) "Indirect Costs," and total costs for row (J) "Total" and (R) "Cumulative Fiscal Year-to-Date." In addition, the number of full-time equivalents (column 1) should be provided for each category of personnel (rows A1-A4 and rows D1 and D2).

3.1.3 BQA 151 - Specific Instructions

The top part of the form should contain the following information:

- . The name of the PSRO
- . The BQA assigned number for the PSRO

- . An indication as to whether the reported costs pertain to Federal or non-Federal review.

The remainder of the form is organized into rows by "Cost Component" and into columns by number of "Full Time Equivalents," by costs for review and organizational "Functions" (columns 1-7), and by cost "Totals" (columns 8-9). Columns 1-4 should include costs related to short-stay review only. Columns 5 and 6 should include the costs related to long-term and ambulatory care review, respectively.

For rows of direct labor and physician consultant labor, indicate the total number of full time equivalents (FTE) represented in the cost figures which follow. The row for indirect costs (row I) is to be completed only by PSROs which have a DHEW negotiated indirect cost rate.

For each cost component row, indicate total costs in each non-shaded box.

The following discussion of the row and column headings should be used as guidelines for recording costs.

- . Rows - Cost Components

- A. Salaried Personnel Costs

Report the number of full-time equivalents (column i) and the costs incurred (columns 1-9) for each row of salaried personnel. Assign salary costs on the basis of time devoted to each function category.

1. Review Coordinator - the costs for all salaried review coordinators working directly for the PSRO. Only that portion of salary paid by the PSRO is to be included in cases where the personnel are shared for whatever reasons. The salary of the review coordinator supervisor should be included in this row. Note that the actual conduct of discharge planning (as opposed to coordination with discharge planners) is not a reimbursable expense, while the coordination function is a covered expense.
2. Technical - the costs for professional personnel working in a technical support capacity to the PSRO, not including review coordinators (e.g., accredited record technician, director of information systems, data analyst, statistician, etc.).

3. Administration - the costs for those personnel involved with overall management of the PSRO operation. Examples include: Executive Director, Medical Director, Business Manager, and other general administrative personnel.
4. Administrative Support - the costs for clerical personnel involved in office management, accounting/bookkeeping, data activities, typing, filing, and similar activities.
5. Subtotal-Salaried Personnel Costs - this row is used to vertically sum the direct personnel cost component (rows 1-4). Vacation time is considered as a direct salary cost.

B. Employee Fringe Benefits

Fringe benefits are the costs of contributions made by the PSRO for such costs as FICA, retirement plans, life insurance and health insurance.

C. Premium Pay

This is payment to employees in addition to salaries (e.g., overtime).

D. Consultants

This includes all persons paid as independent contractors to the PSRO on a consultant basis. Costs should be assigned to functions based on activities performed or the subject for which consultation was given.

1. Physician Advisors - the number of full-time equivalents (for which costs were incurred) and the costs incurred by the PSRO for physician advisors involved in the performance of concurrent review in non-delegated hospitals, including their participation in the reconsideration process. The full-time equivalent is based on a 40 hour work week denomination.
2. Physicians - the number of full-time equivalents (for which costs were incurred) and the costs incurred by the PSRO for non-salaried physicians other than physician advisors. This includes payments to physicians for committee work in criteria development, MCE studies, profile analysis, and other activities requiring specific physician participation.
3. Data - the costs of those data consulting services paid for by the PSRO.

4. Legal and Accounting - the costs of legal and accounting consulting services paid for by the PSRO.
- 5-6. Other - Specify any other consultant services in the space provided. If more space is needed, file a supplemental page using the same format as the BQA 151.
7. Subtotal-Consultants - this row is used to sum all consultant costs.

E. Subcontracts - all PSRO subcontract costs.

- 1-4. Costs incurred under subcontracts should be listed separately by type of contract (e.g., printing, training, electronic data processing, etc.). Subcontract costs under \$300 may be lumped and reported in row 4. If more space is required, file a supplemental continuation sheet using the same format as BQA 151. Assign subcontract costs to function categories by the estimated amount spent in each subject area. For example, EDP costs for MCE studies should be attributed to the MCE study column, EDP for profiles, in the profile column.
5. Subtotal-Subcontracts - this row is used to sum subcontract costs.

F. Travel

Costs for travel are to be divided into the following components. Assign travel costs to function categories by the reason for trips.

1. Local Travel - the cost of local mileage, tickets and per diem for travel within the PSRO area. Includes car rental and leases.
2. Out of Area Travel - the cost of tickets, mileage, per diem for travel outside the PSRO area.
3. Subtotal-Travel Costs - this row is used to sum travel costs.

G. Furniture/Equipment

The cost of buying, leasing or renting chairs, tables, bookcases, typewriters, calculators, adding machines, etc. These costs should be reported under "Administrative Costs" (column 7).

Furniture and equipment purchases under a PSRO contract normally represent purchases of Federal Government property and the full cost of the purchase is included on the quarterly BQA 151 Report. This procedure is an exception to general modified accrual accounting practices. The reason for this exception is to assure that BQA 151 reported costs are compatible with contract cost reports.

Costs relating to PSRO owned assets, i.e., charges representing depreciation and/or usage expenses, must be included in the indirect cost provision; indirect costs may be reported only if properly negotiated with DHEW.

H. Support Costs

The cost components listed below as "Support Costs" should be reported under "Administrative Costs" (column 7) unless they are large costs directly identifiable with categories 1-6.

1. Office Space - the costs associated with office space, including rent, repairs, maintenance, utilities, and insurance for fire, theft, damage, etc.
2. Office Supplies - the cost of items normally required for business communication and records (e.g., pencils, rulers, paper, etc.). The same procedures discussed under Furniture and Equipment may also be applicable to these costs.
3. Reproduction and Printing - the cost of photocopying and printing not performed through subcontracting.
4. Postage - postage costs.
5. Telephone - telephone costs.
6. Other Support Costs - all other costs not specified above in A through H-5, such as subscriptions, general training materials, and training tuition.
7. Subtotal-Support Costs - this row is used to vertically sum support costs.

I. Indirect Costs

This row is to be completed on Federal and non-Federal cost reports only by PSROs which have an indirect cost rate negotiated with DHEW. Report total indirect costs for the quarter under "Administrative Costs" (column 7), and indicate the indirect cost rate used in the space provided. See special instructions below for PSROs with negotiated indirect cost rates.

J. Total All Costs

This row is used to vertically sum all costs included for cost components A through I above.

K. Cumulative Total FYTD

This row is used to indicate the total costs by function categories for all quarters in the fiscal year-to-date.

. Special Instructions for PSROs With DHEW Negotiated Indirect Cost Rates

PSROs whose requests for payment from the Federal government (on Public Vouchers) include figures based on an indirect cost rate negotiated with DHEW should follow the reporting instructions below for both their Federal and non-Federal reports:

1. Complete the report according to regular instructions for all cost components (rows) not included as line items in the negotiated rate. If only part of a line item is included in the indirect rate, report for that line item only those costs which are not included in the indirect rate.
2. Asterisk on the report titles of all line items which in whole or in part are included in the indirect cost rate.
3. Report the amount of the indirect costs billed for the quarter in row I, column 7, the row for "Indirect Costs" under the column for "Administrative Costs."
4. The PSRO must include with its first BQA 151 cost report for Federal patients, a copy of its indirect cost negotiation proposal to DHEW and the negotiation agreement. Each time a new indirect rate is negotiated and used for billing, a copy of the revised negotiation proposal and agreement should be included with the BQA 151.

. Columns - Function and Total Categories

1. Concurrent Review - PSRO costs for the conduct and management of concurrent review - admission certification, continued stay review, concurrent quality assurance, if applicable, and the reconsideration of review decisions. This refers to the PSRO's conduct of concurrent review and directly related management functions in non-delegated hospitals. It does not include the monitoring of delegated concurrent review activities, or the development of delegation agreements; these costs should be included under "Hospital Assessment and Monitoring" (column 4). The recording of concurrent review and

patient care data onto abstracts from which automated profiles will be generated should be included under "Profiles and Norms" (column 3); some PSROs may establish standards for allocating these costs where there is an overlap. Costs incurred during the establishment, modification, and revision of criteria and standards for admission certification and continued stay review should also be included under "Concurrent Review." Costs for development of criteria and standards for MCE studies are not included here (report under "MCE Studies," column 2).

2. Medical Care Evaluation Studies - costs incurred by the PSRO in the design, conduct, evaluation, analysis and implementation of studies in non-delegated hospitals or of PSRO studies across hospitals. This includes, for example, costs for collecting and analyzing MCE study data, coordination with medical education activities required as part of a MCE study, PSRO technical assistance in MCE study performance in hospitals not delegated the MCE study function, and the completion of MCE study reporting forms.
3. Profiles and Norms - reimbursable costs related to the collection, processing and analysis of data used in profiles and other reports based on individual patient abstracts. Costs incurred in the establishment of norms include the costs for acquisition, maintenance and distribution of norms and/or, if PSRO data are used for norms development, the cost of generating and distributing norms.

If profile analysis is performed as part of a MCE study (e.g., to assist in identifying patients to be included in the study group, or to obtain selected data elements in the MCE study data collection effort), the report analysis or special report generation costs should be included under "MCE Studies" (column 2).

4. Hospital Monitoring and Assessment - costs related to assessing, monitoring, and developing agreements with hospitals. This includes PSRO costs related to initial and subsequent hospital assessment, negotiating agreements with hospitals, and monitoring through site visits and hospital reports other than by the use of patient abstracts. The costs of monitoring hospitals through automation and analysis of routine patient abstract data should be included under "Profiles and Norms" (column 3).

5. Long-Term Care Review - costs incurred related to long-term care review activities including the costs for developing a long-term care review program.
 6. Ambulatory Care Review - costs incurred related to ambulatory care review activities, if any, including the costs for developing an ambulatory care review program.
 7. Administrative Costs - costs incurred in the operation of the PSRO which are not directly attributable to function categories 1-6. Examples of costs to be included in this column include: Support Costs (rows H 1 - 7), "Furniture and Equipment" Costs (row 6), recruitment costs, training tuition costs and applicable portions of the salary of the Executive Director and other administrative and support personnel incurred in negotiating contracts and subcontracts, negotiating agreements with intermediaries and fiscal agents, performing public relations work, and general office functions.
 8. Total for Quarter - the horizontal sum of costs for each row component across all functions for the reporting quarter.
 9. Cumulative Total FYTD - the cumulative costs for each row component for all quarters in the fiscal year (July through June) to date.
- 3.2 BQA 153: Quarterly Delegated Hospital Function Cost Summary

This report is designed to obtain summary cost data on the review of patients in delegated hospitals. This report, in conjunction with the PSRO Function Cost Summary, will provide the Bureau of Quality Assurance with a comprehensive picture of the costs of PSRO functions; a sample BQA 153 follows this page as Exhibit III-2.

Each hospital which incurs direct expenses associated with full or partial review under delegation must file with the PSRO a quarterly cost report for these activities (using BQA 153 format). The PSRO should then compile a summary of this information on BQA 153, indicating the number of hospitals which fall into each category of delegation, and forward the report to BQA within 45 days of the end of each reporting quarter. Costs that are reported on the PSRO Function Cost Summary should not be included in the Delegated Hospital Function Cost Summary, since activities delegated to hospitals are not reimbursable by the PSRO. Except for the last row of the report, which requests cost data for review of non-Federal patients, all information on the report should refer only to costs incurred for hospital review of Federal patients (Medicare, Medicaid, and Maternal and Child Health) under delegation from the PSRO.

Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number			
No. Hospitals (Reviewing XVIII, XIX, V) Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		PSRO NAME	PSRO NO.		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		REPORTING PERIOD DATES FROM			
		Month	Year		
		Month	Year		
		TO			
		Month	Year		
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS			TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	
A. Federal (XVIII, XIX, V) Review	(NO.)	(\$)	(\$)	(\$)	(\$)
1. Personnel					
a. Physicians					
b. Physician Advisors					
c. Review Coordinators					
d. Technical Personnel					
e. Other					
2. Subtotal Personnel					
3. Other Direct Costs					
a.					
b.					
c.					
4. Subtotal Other Direct					
5. Total Direct Costs for Federal Review					
B. Non-Federal Review					
1. Total Direct Costs					

3.2.1 BQA 153 - Specific Instructions

The name and number of the PSRO and reporting dates are entered in the upper right hand corner of the form. In the upper left hand corner, the delegation status of hospitals being reported is indicated with the total number of hospitals in each category of delegation.

The remainder of the form is comprised of rows (Cost Components) and columns (Functions). Following is a description of the row and column headings which should provide guidance for completing the form. All cost figures entered on BQA 153 should be rounded to the nearest dollar.

Rows-Cost Components

A. Federal Review (Titles V, XVIII and XIX)

Rows A1 through A5, as well as the lines for delegation status in the upper left hand corner of the report, refer only to the review of Medicare, Medicaid, and Maternal and Child Health patients. Row B1 is the single row which requests information on review of non-Federal patients.

1. Personnel

Report the number of full-time equivalents (FTE) and the costs incurred for review of Federal patients. Only personnel involved in incremental activity (e.g., special data collection for the Federal patients) beyond usual hospital duties should be reported.

- a. Physician Advisors - the number of FTEs (for which costs were incurred) and the costs incurred by the hospital for payments to physician advisors on either salary or consultant basis for performance of concurrent review, including their participation in the reconsideration process, if any.
- b. Physicians - the number of FTEs and the costs incurred by the hospital for payments to physicians, other than physician advisors on either a salaried or consultant basis, for participation in MCE studies and other review activities.
- c. Review Coordinators - the number of FTEs and the costs for all salaried review coordinators working directly for the delegated hospital in review of Federal patients. If the review coordinator is reimbursed in any way by the PSRO, that portion of the costs is not entered on this form. Note that the actual conduct of discharge planning, as opposed to administrative coordination with discharge planners, is not a PSRO review function.

- d. Technical Personnel - the number of FTEs and the costs for those personnel, if any, working in a technical capacity in direct support of Federal review, not including review coordinators. This might include medical records technicians, health records analysts, etc.
- e. Other Personnel - the number of FTEs and the costs for other personnel (such as clerical) working for the hospital to directly support the PSRO review functions.

2. Subtotal-Personnel Costs

Vertically sum rows 1a through 1e.

3. Other Direct Costs

Report any non-salary, identifiable direct costs which are required in the review process, but which are not accounted for elsewhere. The items included will vary according to hospital, but could include such items as data processing, long distance telephone calls, training for coordinators, and supplies.

Other direct cost items under \$1,000 can be lumped and reported in row 3a. Items over \$1,000 should be listed starting in row 3b. If more space is required, file a supplemental continuation sheet using the same format as BQA 153.

4. Subtotal-Other Direct Costs

Vertically sum rows 3a through 3c.

5. Total Direct Costs for Federal Review

Vertically sum rows 2 and 4.

B. Non-Federal Review

1. Total Direct Costs

Report the total direct costs for review of patients other than Medicare, Medicaid, and Maternal and Child Health.

. Columns - Function and Total Categories

- 1. Full-Time Equivalent - Complete this column for rows A. 1.a through A. 1.e only.

2. Concurrent Review - same as for BQA 151.
3. Medical Care Evaluation Studies - same as for BQA 151.
4. Profiles - same as for BQA 151.
5. Other - any other costs reported by the hospital not attributable to the previously listed functions. These would include direct administrative costs.
6. Total - the total costs for the cost components listed in each row of the report.

IV. COST ALLOCATION - PERSONNEL

IV. COST ALLOCATION - PERSONNEL

PSRO accounting systems are designed to provide basic reporting data for the Bureau of Quality Assurance. The primary report is the Quarterly PSRO Function Cost Summary and is referred to as the BQA 151. One of a PSRO's most difficult accounting requirements will be the proper allocation of costs to the various functions listed in the BQA 151.

Cost allocation problems can be minimized by careful review of the guideline information in Section II. For most PSROs, the largest and most significant cost factor will be personnel costs -- i.e., cost for physicians, review coordinators, special technicians and advisors, and other personnel. Not only will these costs be more significant, but they will also be the most difficult to allocate to the specific functions. The following questions and answers will assist implementation of an accounting system that allocates personnel costs to the proper functions and establishes a common basis for allocation so that all PSRO accounting reports are comparable; a copy of BQA 151 should be used for reference as the questions are answered.

Questions and Answers

1. What methods of time recording are available for use in allocating personnel time according to the PSRO review functions?

A. Time logs are an accepted method for recording personnel time (an example of a time log is contained in the PSRO Financial Management and Accounting System Manual).

There are also other accepted methods which can be used in conjunction with time logs, particularly by personnel doing routine type work. Studies can be made which develop a "standard" for a person doing specific jobs over a period of time. Data related to time distribution expressed as a percentage can then be used for allocation. Significant changes in workload would require a modification of these figures. A re-study each year is also advised to validate prior data.

It is more difficult to account for managerial time. It is important that all personnel accurately report their effort in terms of those PSRO functions contained in BQA 151, and the accounting personnel must continually monitor time logs to check reasonableness of the distribution

and to remind PSRO employees of the necessity for proper and accurate reporting.

2. Assume a physician works on the development of criteria for concurrent review; how are cost allocations shown on the BQA 151?

A. This will depend on the working relationship:

- . Where the physician is providing his time, gratis, no recording is made
- . Where the physician is an employee (the PSRO deducts payroll taxes), the cost should be charged to the cost component (row A.2.(1) on BQA 151) in the "Concurrent Review" column
- . Where the physician is a consultant, the time would be charged to Consultants-Physicians, row D2, in the "Concurrent Review" column.

A subsidiary ledger should be established to collect the data for physician charges. These ledgers should be maintained on a current basis to avoid a work backlog at month end when the accounts are closed.

3. Assume review coordinators, during the normal review process, collect and record supplemental data required for MCE studies; how are these costs allocated?

A. The time required for the MCE work should be recorded and allocated to the MCE function; this allocation between the normal review and the MCE must be estimated by the review coordinators on their time logs.

4. Assume review coordinators are performing review roles involving data collection, making worksheet entries, completing abstracts, applying criteria, establishing length-of-stay, relating to physician reviewers, etc.; how are these costs allocated?

A. This time should be allocated to the concurrent review function and the profile and norms function; the individual review coordinators must estimate and show the time allocations on their time logs.

5. Assume the review coordinator supervisor trains review coordinators to perform concurrent review through formal or quasi-formal training programs; what function is charged?

A. Allocate all time related to concurrent review training to the concurrent review function.

6. Assume the review coordinator supervisor (or operations manager) trains review coordinators to perform concurrent review through formal or informal training programs for delegated hospital personnel; what function is charged?

A. Allocate all time related to concurrent review training for delegated hospitals to the hospital assessment and monitoring cost function. This training is directly identifiable to the assessment and monitoring function and should thus be charged.

7. Assume the review coordinator supervisor works with a review coordinator helping to solve unusual concurrent review problems as they occur during normal operations; how is the time charged?

A. Allocate all time related to concurrent review to the concurrent review function.

8. Assume a physician (PSRO staff) analyzes profile reports as they pertain to expected practices; how are the charges distributed?

A. Allocate all time related to profile and norms to the profile and norms functions.

9. Based on physician analysis of profile reports, potential problems may be discovered which require additional data collection and analysis. Assume a physician spends time determining parameters for data collection to learn more about the suspected problem; how are the charges shown?

A. The time should be allocated to the profiles and norms function.

10. A health care analyst interprets profiles for presentation to the Executive Director and Medical Director; what function should be charged?

A. The cost should be shown on the technical support line under the profile and norms function.

11. Assume a health data analyst designs a modification to the data collection form to be used under certain conditions for an MCE study and coordinates data processing requirements with the data processing contractor; what cost function(s) should be charged?

A. The costs should be included on the technical support line under the MCE function.

12. Assume the Medical Director develops a plan to coordinate continuing medical education programs with requirements stemming from MCE study results; what function should be charged?

A. All costs should be allocated to the MCE function on line A.3 "Administration."

13. The Executive Director works with hospitals in the area on agreements for delegating the concurrent review function; what function is charged?

A. The costs should be allocated to the hospital assessment and monitoring function, on line A.3, "Administration."

14. The Executive Director meets with the PSRO Board of Directors to discuss policy, status and future planning for the PSRO's involvement in long-term care review; what function is charged?

A. These costs should be allocated to long-term care review.

15. Assume the PSRO Executive Director is paid a basic salary regardless of the amount of time spent on PSRO business. During the past quarter the total work hour base for calculating Full Time Equivalents is 504 hours. While accumulating data for the BQA 151 report, the PSRO Business Manager notes that the Executive Director's time logs show a total of 590 hours, reflecting additional hours worked during the quarter. What corrective action is required?

A. Hours recorded in excess of the basic work period should be considered voluntarily contributed time and not included in the FTE calculation. FTE hours are hours the PSRO and/or delegated hospital actually pay for.

16. A secretary does typing, filing and other clerical duties for health care analysts and certain physician committees. Work encompasses review activities, profiles, MCE studies, criteria and standards, and professional training; what function is charged?

A. The secretary's salary should be allocated over all functions based on the personnel direct cost apportionment as these functions are performed. It is important for all PSRO personnel to understand the different PSRO functions and the reasons for careful completion of the time logs.

17. A PSRO Business Manager has developed and is implementing a time log for PSRO employees; the review coordinator supervisor objects to the requirement that review coordinators allocate

their time between concurrent review and profile and norms functions when involved in preparing abstracts for both functions, what should be the Business Manager's response?

A. The allocation of time between the cost functions is difficult to estimate and each individual review coordinator should attempt to record the most accurate time charges possible. It is important to follow the established reporting procedures to obtain the highest degree of uniformity among PSROs for analysis purposes; BQA may revise these procedures in the future.

18. A PSRO Business Manager is responsible for reporting costs in a PSRO that conducts Federal and non-Federal review activities. Describe the information required on the time logs to properly account for PSRO activities.

A. The Federal Reports Manual requires that a quarterly BQA 151 be submitted for all Federal review activity and a quarterly BQA 151 submitted for all non-Federal review activity. When PSRO review coordinators perform both Federal and non-Federal reviews, the time logs must be structured to show the number of hours for both Federal and non-Federal review by cost function.

19. Assume a review coordinator has to travel great distances within a PSRO area. The Executive Director feels that it would be inequitable to charge concurrent review with all the traveling expenses and recommends to the bookkeeper to charge administration for some of the expenses.

A. All traveling expenses related to concurrent review should be allocated to the concurrent review function. Although the review coordinator may have to travel great distances, the expense is recorded under Local Travel because it is within the PSRO area.

20. Assume the Medical Director is taking a three-week vacation. How should the vacation time be allocated?

A. The time is to be allocated according to the activities he performed over a normal operating year. If historical records are available, then the salary could be allocated on a percentage basis to the various PSRO functional categories. If historical records are not available, then allocation may be made according to the Medical Director's projected/budgeted time for the operating year. For example, it is projected that the Medical Director will be spending 40% of his/her time conducting concurrent review activities, 40% of his/her time in MCE study activities, and 20% of his/her time in general PSRO program

administration. Given that these projections are representative of his/her time, the vacation salary should be allocated 40% to MCE, 40% to concurrent review and 20% to administration functions.

21. A bookkeeper is having difficulties in determining whether a physician's salary should be recorded in row A-2 (Technical) or A-3 (Administration).

A. The bookkeeper should look at the budget components to determine where the cost was originally budgeted. A Medical Director's time would be line A-3, "Administration."

22. The PSRO employs an individual who is responsible for PSRO interaction with delegated hospitals, and for monitoring and assessing delegated hospital activities. This person's responsibilities include assisting in the negotiation of Memoranda of Understanding, resolution of data routing and processing issues, and on-going monitoring of delegated hospitals. In which personnel cost component should this person's salary be included?

A. This person's salary should be included in the Administration cost component (component A.3 on BQA 151). The negotiation of MOUs, problem resolution, and monitoring of delegated hospitals is assigned to the "Hospital Assessment and Monitoring" cost function (column 4).

23. In completing the BQA 153, the bookkeeper for a delegated hospital wants to properly allocate the fringe benefits costs. Where should these costs appear?

A. The fringe benefit costs will appear as part of the personnel costs through lines A.1.a to A.1.e, because fringe benefits are considered part of the salary costs. Line 3, "Other Direct Cost", is to be used only for non-salaried costs such as data processing, and telephone costs.

24. To complete the BQA 153 how should the bookkeeper properly allocate utilization review costs?

A. All information on the BQA 153 parts A.1 through A.5, Quarterly Delegated Hospital Function Cost Summary, should refer only to costs incurred for hospital review of Federal patients (Medicare, Medicaid, and Maternal and Child Health). The costs reported should reflect the expense of performing review because of PSRO delegation for these activities. Thus the part A of the report form should record only those costs associated with a PSRO review function. In part B of the BQA 153 may be reported the total direct costs of performing non-Federal review.

25. A hospital prior to delegation performs utilization review activities and employs a number of personnel for this purpose. Upon full delegation the hospital increases its staff to perform all the requisite review activities. How should allocation be made for the additional personnel?

A. If the hospital can identify the additional hospital costs incurred as a result of the conduct of PSRO delegated review for Medicare, Medicaid, and Title V patients then it should allocate these additional costs according to component and function. If the hospital is able to identify total costs associated with doing UR and PSRO review for all hospitalized patients, both Federal and non-Federal, it should identify the number of Medicare, Medicaid and Title V patients. The hospital would then apportion the review costs based upon the number of discharges for each category, and weigh the cost reported to reflect the additional costs incurred for being delegated PSRO review.

26. What personnel should be reported as full-time equivalents on the BQA 153, Quarterly Delegated Hospital Function Cost Summary?

A. Report only those personnel and the costs incurred for delegated review of Federal patients. Only personnel involved in incremental activity for the Federal patients, beyond usual hospital duties should be reported.

V. CASE STUDIES FOR BQA 151 QUARTERLY PSRO FUNCTION

COST SUMMARY

V. CASE STUDIES FOR BQA 151 QUARTERLY PSRO FUNCTION

COST SUMMARY

5.1 Introduction

This Section contains three case studies demonstrating completion of the BQA 151 form, as follows:

. Case Study 1

This case represents a typical large PSRO performing only Federal activities; completion of the BQA 151 form requires analysis of the scenario, the PSRO approved budget, and the summary of activity. The case includes:

- Introduction
- Scenario
- Budget Summary
- Summary of Activity
- Recommended Case Solution.

This case must be completed prior to proceeding to Case Studies 2 or 3.

. Case Study 2

This case represents a large PSRO performing both Federal and non-Federal activities. The basic information presented under Case Study 1 remains the same for this case study, and only supplemental information is presented to demonstrate completion of the BQA 151 form for non-Federal review costs. The case includes:

- Introduction
- Scenario
- Budget Data
- Additional Summary
- Recommended Case Solution.

. Case Study 3

This case represents a large PSRO performing Federal and non-Federal activities where an indirect cost rate has been included in the DHEW contract. The basic information presented under Case Study 1 remains

basically the same for Case 3, except for assumed changes to demonstrate indirect cost applications. The case includes:

- Introduction
- Scenario
- Budget Data
- Activity Summary
- Recommended Case Solution.

Sample forms for use in completing the case study assignments are included at the end of the section.

Should any problems arise, or should any definitions or techniques remain unclear after you have completely reviewed these materials, contact the PMIS Technical Assistance Center at (202) 785-4828.

5.2 Case Study 1

5.2.1 Introduction

A scenario is established for a hypothetical PSRO for purposes of illustrating the accurate interpretation and presentation of the Quarterly PSRO Function Cost Summary (BQA 151).

The following parameters for the hypothetical PSRO are assumed, and in no way are the data intended to reflect real situations. The same is true for the hypothetical budget to be discussed later.

- . 145 short term general hospitals
- . 13,410 short term general hospital beds
- . 420,000 total admissions/year
- . 3,400,000 inpatient days
- . 147,000 Title V, XVIII, and XIX admissions
- . 50 hospitals delegated concurrent review and medical care evaluation study responsibility. These hospitals have a total of 5,230 beds and 64,600 Title V, XVIII, and XIX admissions
- . 27 hospitals delegated concurrent review responsibility. These hospitals have a total of 2,815 beds and 35,280 Title V, XVIII and XIX admissions

- . 68 hospitals not delegated any review functions. These hospitals have a total of 5,365 beds and 47,120 Title V, XVIII, and XIX admissions.

5.2.2 Scenario

The PSRO has an approved budget showing the staffing, pay rates, and projected expenditures for the year; refer to the budget summary on the following page.

The PSRO has just finished its third month of conditional designation. For purposes of simplifying the case, it has been assumed that the PSRO was fully staffed and operational on the first day of the quarter. The PSRO has signed Memoranda of Understanding with the Title V, XVIII, and XIX agencies, and with the delegated hospitals. The MOUs with the hospitals provide that the hospitals will submit the Quarterly Delegated Hospital Function Cost Summary (BQA 153) to the PSRO.

All PSRO personnel worked full-time during the quarter. The reporting quarter, 1 July to 30 September, contained 13 weeks, with two holidays, for a total of 504 work hours. A summary of the general PSRO activities is briefly provided below for purposes of facilitating proper cost allocation.

5.2.3. Budget Summary

<u>Direct Labor</u>	<u>FTE</u>	<u>Funds Approved</u>
Executive Director	1	\$27,500
Medical Director	1	35,000
Hospital Liaison	3	48,000
Coordinator Supervisor	2	32,000
Review Coordinator	22	242,000
Data Manager	1	18,000
Business Manager	1	18,000
Health Analyst	1	14,000
Secretarial/Clerical	5	40,000
		<u>\$474,500</u>
Fringe Benefits @ 11%		52,195
		<u>\$526,695</u>

Consultants

Legal	\$ 3,000
Accounting	3,000
Technical (Data)	3,000
Physician Advisors	27,485
Physician Consultants	12,600
	<hr/>
	\$49,085

Subcontracts

Data Processing	\$35,000
	<hr/>
	\$35,000

Travel

Local - Transportation	\$ 3,510
- Per Diem	1,225
Out-of-Area - Transportation	3,000
- Per Diem	2,520
	<hr/>
	\$10,255

Furniture & Equipment

Furniture	\$ 5,000
Equipment	1,750
	<hr/>
	\$ 6,750

Other Direct Costs

Office Space	\$16,900
Office Supplies	5,700
Postage	1,040
Subscriptions	500
Printing/Duplicating	7,000
Telephone	8,400
Insurance	400
	<hr/>
	\$39,940

TOTAL	<hr/>
	\$667,725

5.2.4. Summary of Activity

. PSRO Staff

- Executive Director - 504 hours

50% of time charged to general and administrative duties

30% of time charged to working out agreements with hospitals.

20% of time charged to working out agreements with fiscal intermediaries and fiscal agents.

- Medical Director - 504 hours

75% of time spent with physician reviewers on concurrent review orientation, training, and problem-solving

15% of time spent with physician committees planning MCE study activities

10% of time spent in analyzing computer printouts of profiles.

- Hospital Liaison Personnel - 1,512 hours

Three full-time persons performed liaison activities with delegated hospitals. Liaison activities included routine monitoring and assessment of delegated hospital activities, assisting in negotiating MOUs, general problem-solving activities, and interaction related to data issues.

50% of time spent in hospital assessment and monitoring activities

20% of time spent on general and administrative duties

15% of time spent in data collection activities related to profiles and norms

10% of time spent in concurrent review activities

5% of time spent in data collection activities related to medical care evaluation studies.

- Coordinator Supervisors - 1,008 hours

Two full-time persons performed orientation and training activities, and were responsible for daily supervision of PSRO - employee review coordinators.

60% of time spent in concurrent review activities

20% of time spent on administrative activities

15% of time spent in data collection activities related to profiles and norms

5% of time spent in data collection activities related to medical care evaluation studies.

- Review Coordinators - 11,088 hours

Twenty-two full-time persons performed review and data collection activities for patients monitored by the PSRO.

70% of time spent in performing concurrent review activities

25% of time spent in data collection and recording data on worksheets and discharge abstracts for profile data

5% of time spent in data collection activities related to MCE studies.

- Data Manager - 504 hours

30% of data activity related to administrative activity

20% of data activity related to concurrent review

20% of data activity related to hospital assessment and monitoring

15% of data activity related to medical care evaluation studies

15% of data activity related to the development of profiles.

- Health Analyst - 504 hours

40% of time spent in the selection and review of PSRO norms

40% of time spent in monitoring delegated hospitals, through profile analysis

20% of time spent in developing forms to be used in PSRO MCEs.

- Business Manager - 504 hours

100% of time spent in dealing with fiscal management of the PSRO.

- Secretarial/Clerical - 2,520 hours

One (1) person charged 100% of time to general and administrative support

One (1) person charged 100% of time to support of the business manager

One (1) person spent 100% of time supporting the review coordinator supervisors and review coordinators on concurrent review

One (1) person spent 50% of time in support of the Medical Director, and 50% of time in support of general and administrative functions

One (1) person spent 50% of time in support of the health analyst on profile reports and 50% in support of the review coordinator supervisors, on concurrent reviews.

The employee benefits are distributed to the functions on a direct percentage basis. In addition, the following PSRO consultant, subcontract activity and other events occurred during the reporting period.

. PSRO Consultants

Legal - \$1,000 general corporate counsel for incorporation and insurance negotiations

Accounting - \$1,000 assisting business manager
in establishing accounting system and
designing some internal reports

Physician Advisors - \$6,860 in review and
reconsideration (196 hours)

Data - \$500 working with the Medical Director
and health analyst on the design of PSRO
reports (5 person-days) for profile and
norms development

Physicians - \$4,025 in criteria development for
concurrent review (115 hours).

. Subcontracts

EDP - \$9,000 for design and processing of discharge
abstracts and generation of profile reports.

. Travel

\$300 for mileage for hospital liaison personnel

\$210 for mileage for coordinator supervisors

\$510 for mileage for review coordinators

\$175 for per diem for hospital liaison personnel

\$105 for per diem for coordinator supervisors

\$250 for air fare to PSRO director conference

\$ 80 for director conference expenses

\$ 30 for mileage to meeting on PSRO data routing
and processing and profile generation at
PSRO Support Center (outside PSRO area)
(Executive Director and Data Manager
attended, Executive Director drove)

\$ 20 for Executive Director expenses at Support
Center meeting

\$ 20 for Data Manager expenses at Support Center
meeting.

. Furniture & Equipment

\$3,500 spent for desks, chairs, office machines,
etc., for direct personnel use.

. Other Direct Costs

Office space - \$4,225 for office rental, utilities
and maintenance

Office supplies - \$2,300

Postage - \$375

Printing/duplicating - \$1,200

Subscriptions - \$300

Telephone - \$1,770

Insurance - \$220.

Based upon the above information, complete the BQA 151.
Ten sample copies of BQA 151 are included at the end of this
chapter. Note questions you may encounter during the task for
inclusion in the Problem Log. Use your own PSRO name and
number.

5.2.5 Recommended Case Solution (Case Study 1)

The case solution is discussed under the following
areas:

- . Cost Allocation Schedule: Fringe Benefits
- . Cost Allocation Schedule: Clerical/Support Personnel
- . Cost Allocation Schedule: Travel
- . Completed BQA 151.

COST ALLOCATION SCHEDULE: FRINGE BENEFITS

In this hypothetical case, employee benefits are distributed to cost functions on a direct percentage basis. The budgeted direct labor costs amount to \$474,500, as follows:

Executive Director	\$ 27,500
Medical Director	35,000
Hospital Liaison	48,000
Coordinator Supervisors	32,000
Review Coordinator	242,000
Data Manager	18,000
Business Manager	18,000
Health Analyst	14,000
Secretarial/Clerical	40,000
<hr/>	
Total	\$474,500

The employee (fringe) benefits include health insurance, disability insurance, Workmen's Compensation, FICA, and unemployment insurance, and total 11% of direct labor. The budgeted amount for employee benefits, therefore, is \$52,195.

$$. \quad \$474,500 \times 11\% = \$52,195$$

Allocation of employee benefits on BQA 151 is computed using the Personnel Costs-Subtotal, line A-5 on BQA 151, as follows:

	BQA 151 Cost Functions							
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	<u>Total</u>
A-5 Subtotal								
Personnel Costs	\$59,563	6,862	23,575	8,963			19,662	118,625
B Employee								
Fringe Benefits	6,552	755	2,593	986			2,163	13,049

NOTE: This schedule is not a reporting requirement. It is included to clarify the suggested answer in the case study. This exercise demonstrates some of the problems to be anticipated in proper completion of the BQA 151. For further information, refer to pages V-2 - V-13 of the Federal Reports Manual.

COST ALLOCATION SCHEDULE: CLERICAL/SUPPORT PERSONNEL

<u>Clerical Persons</u>	<u>BQA 151 Cost Functions</u>							<u>Total</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	
(1)							\$2,000	\$2,000
(2)							2,000	2,000
(3)	2,000							2,000
(4)	750	150	100				1,000	2,000
(5)	<u>1,000</u>	<u> </u>	<u>1,000</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>2,000</u>
Total Support Costs	3,750	150	1,100				5,000	\$10,000

NOTE: This schedule is not a reporting requirement. It is included to clarify the suggested answer in the case study. This exercise demonstrates some of the problems to be anticipated in proper completion of the BQA 151. For further information, refer to pages V-2 - V-13 of the Federal Reports Manual.

COST ALLOCATION SCHEDULE: TRAVEL

The Summary of Activity provides breakdown by percentage of time allocated to each function, by individual position. If travel expenses clearly relate to specific cost categories, they should be allocated accordingly. If travel expenses cannot be readily identified with a specific cost category, they should be allocated across cost categories using the same percentages as the time spent for each function, as follows:

1. Local Travel:

	<u>BQA 151 Cost Functions</u>							<u>Total</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	
Hospital Liaison	47	24	71	238			95	475
Coordinator Supervisors	189	15	48				63	315
Review Coordinators	357	25	128					510
	—	—	—	—	—	—	—	—
Total Local Travel	593	64	247	238			158	1,300

2. Out of Area Travel:

	<u>BQA 151 Cost Functions</u>							<u>Total</u>
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	
Executive Director			50				330	380
Data Manager			20					20
			—				—	—
Total Out of Area Travel			70				330	400

3. Subtotal:

	BQA 151 Cost Functions							
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	<u>Total</u>
Travel	593	64	317	238			488	1,700
Subtotal								

NOTE: This schedule is not a reporting requirement. It is included to clarify the suggested answer in the case study. This exercise demonstrates some of the problems to be anticipated in proper completion of the BQA 151. For further information, refer to pages V-2 - V-13 of the Federal Reports Manual.

Costs Relate to: (check one) <input checked="" type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number								
		QUARTERLY PSRO FUNCTION COST SUMMARY		PSRO NAME. AAA PSRO		PSRO NO.						
				REPORTING PERIOD DATES FROM		TO						
				Month July	Year 1975	Month Sept	Year 1975					
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS							TOTALS			
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)		
A. Salaried Personnel Costs	NO.											
1. Review Coordinators	24	\$ 47,150	\$ 3,425	\$ 16,325	\$	\$	\$	\$	\$	\$ 1,600	\$ 68,500	\$ 68,500
2. Technical	2	900	1,375	3,475	900					1,350	8,000	8,000
3. Administration	6	7,763	1,912	2,675	8,063					11,712	32,125	32,125
4. Support	5	3,750	150	1,100						5,000	10,000	10,000
5. Subtotal Personnel Costs	37	59,563	6,862	23,575	8,963					19,662	118,625	118,625
B. Employee Fringe Benefits		6,552	755	2,593	986					2,163	13,049	13,049
C. Premium Pay												
D. Consultants												
1. Physician Advisors		6,860									6,860	6,860
2. Physicians		4,025									4,025	4,025
3. Data				500							500	500
4. Legal and Accounting										2,000	2,000	2,000
5.												
6.												
7. Subtotal Consultants		10,885		500						2,000	13,385	13,385

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CASE STUDY 1: ANSWER KEY

	FULL TIME EQUIVALENTS	FUNCTIONS							TOTALS	
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
E. Subcontract	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
1. EDP				9,000					9,000	9,000
2.										
3.										
4.										
5. Subtotal Subcontracts				9,000					9,000	9,000
F. Travel		593	64	247	238			158	1,300	1,300
1. Local Travel				70				330	400	400
2. Out of Area Travel								488	1,700	1,700
3. Subtotal		593	64	317	238					
G. Furniture and Equipment								3,500	3,500	3,500
H. Support Costs								4,225	4,225	4,225
1. Office Space										
2. Office Supplies								2,300	2,300	2,300
3. Reproduction and Printing								1,200	1,200	1,200
4. Postage								375	375	375
5. Telephone								1,770	1,770	1,770
6. Other Support Costs								520	520	520
7. Subtotal Support Costs								10,390	10,390	10,390
I. Indirect Costs (Rate %)										
J. Total		77,593	7,681	35,985	10,187			38,203	169,649	169,649
K. Cumulative FYTD		77,593	7,681	35,985	10,187			38,203	169,649	169,649

5.3 Case Study 2

5.3.1 Introduction

This case study should be completed by all PSRO personnel responsible for preparing cost reports when the PSRO conducts both Federal and non-Federal reviews. The purpose of this case is to demonstrate the proper completion of the BQA 151 Quarterly PSRO Function Cost Summary for non-Federal review activities.

Case Study 1 should be completed before starting this case.

The following scenario, budgetary data and activity summary is in addition to the information developed in Case Study 1. Based on the following supplementary data, the BQA 151 worksheet for non-Federal review costs should be completed. A recommended solution follows in section 5.3.5.

5.3.2 Scenario

The AAA PSRO negotiated a contract to perform review activities for a major private insurance carrier at ten (10) of the hospitals not delegated review functions. The hospitals are all located in the same general proximity and the PSRO has agreed to expand the normal concurrent review to include some additional special steps required by the private carrier.

The AAA PSRO contract with DHEW specifically excludes non-Federal review activities for cost reimbursement, and the costs of the special review for the private carrier must be recovered from the private carrier. AAA PSRO requested, and BQA approved, that indirect administrative and support costs for the proposed non-Federal work would be considered as PSRO costs and reimbursed by the Federal Government on the basis that the additional costs were insignificant.

5.3.3 Budget Data

In order to complete the estimated workload for the private carrier, the AAA PSRO hired two full-time review coordinators to work exclusively on the special review activity. The estimated costs budgeted for the quarter are:

BUDGET - 1 October through 31 December 1975

	<u>FTE</u>	<u>AMOUNT</u>
. Salary: Review Coordinators	2	\$6,000
. Fringe Benefits		540
. Travel: Local		500
Total		<u>\$7,040</u>

5.3.4 Activity Summary

The private carrier advanced the AAA PSRO \$7,040 to cover the estimated costs during the first three months ending 1 January, 1976. Two review coordinators were employed to work full-time on the special reviews for the private carrier. Both coordinators were paid \$1,000 per month; the budgeted fringe benefits were incurred; and the actual travel costs were \$450.

The costs of the special review for the private carrier were recorded by the AAA PSRO/bookkeeper in a separate account established for non-PSRO programs. The account used was account No. 811 -- "Other Programs/Private Carrier". At the end of the quarter, the PSRO costs were reported on the BQA 151, Quarterly PSRO Function Cost Summary for Federal Review activity (refer to Case Study 1).

Based upon the above, complete a BQA 151 Quarterly PSRO Function Cost Summary for the AAA PSRO non-Federal review activity.

5.3.5 Recommended Case Solution (Case Study 2)

The recommended solution to Case Study 2 follows, including:

- . Completed BQA 151.

Costs Relate to: (check one) <input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input checked="" type="checkbox"/> NON-FEDERAL REVIEW		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number						
		PSRO NAME AAA PSRO		PSRO NO.						
QUARTERLY PSRO FUNCTION COST SUMMARY		REPORTING PERIOD DATES FROM		TO						
		Month 10 Year 75		Month 1 Year 76						
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS						TOTALS		
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs 1. Review Coordinators	NO. 2	\$ 6,000	\$	\$	\$	\$	\$	\$	\$ 6,000	\$ 6,000
2. Technical										
3. Administration										
4. Support										
5. Subtotal Personnel Costs	2	6,000							6,000	6,000
B. Employee Fringe Benefits		540							540	540
C. Premium Pay										
* D. Consultants 1. Physician Advisors										
2. Physicians										
3. Data										
4. Legal and Accounting										
5.										
6.										
7. Subtotal Consultants										

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Recommended Solution (page 1)

CASE STUDY 2

	FULL TIME EQUIVALENTS	FUNCTIONS							TOTALS	
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
E. Subcontract 1. EDP	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
2.										
3.										
4.										
5. Subtotal Subcontracts										
F. Travel 1. Local Travel		450							450	450
2. Out of Area Travel										
3. Subtotal		450							450	450
G. Furniture and Equipment										
H. Support Costs 1. Office Space										
2. Office Supplies										
3. Reproduction and Printing										
4. Postage										
5. Telephone										
6. Other Support Costs										
7. Subtotal Support Costs										
I. Indirect Costs (Rate %)										
J. Total		6,990							6,990	6,990
K. Cumulative FYTD		6,990							6,990	6,990

Recommended solution (page 2)

CASE STUDY 2

V-19

5.4 Case Study 3

5.4.1 Introduction

This case study should be completed by all PSRO personnel responsible for preparing cost reports when the PSRO has negotiated an indirect cost rate in the PSRO contract with DHEW.

As a general rule, PSROs conducting only Federal review activities should incur only direct reimbursable costs and should not be concerned with indirect costs or with an indirect cost rate.

PSROs conducting both Federal and non-Federal review activities may or may not have indirect costs; usually this depends upon (1) the terms of the specific PSRO contract and/or (2) an analysis of the PSRO operations. In most cases, PSROs conducting both Federal and non-Federal review activities will probably have indirect costs. However, before indirect costs can be claimed for reimbursement and reported on the cost reports, an indirect rate must be established by the Federal Government and then negotiated in the PSRO contract with DHEW.

Case Studies 1 and 2 should be completed prior to starting this study. Generally, the basic case scenario established in Case Study 1 is carried forward to this case study; certain changes have been made in order to demonstrate reporting of indirect costs.

The following data is based on several assumptions, and is designed to present a simple demonstration of the reporting process for indirect costs. Generally, indirect cost (1) accounting, (2) determination, and (3) negotiation is a relatively complex process that varies between PSROs. The PSRO accounting guidelines for indirect costs are explained in the Financial Management Accounting System Manual; the objective of this case study is limited to the process required for completing BQA 151 cost reports.

5.4.2 Scenario

The AAA PSRO is the successor organization of the previously existing AAA Medical Foundation established to coordinate local medical care activities in 1960. The AAA PSRO now is responsible for basically two separate functions:

The Foundation budget for total direct labor is \$120,000 and the above direct physician cost is \$70,000; \$50,000 difference between the physicians' salaries and the total represents salaries for the receptionist and another secretary.

A Federal audit of the AAA PSRO activities indicates that some of the Foundation cost items indirectly benefit the Federal activities and that these indirect costs should be partially recovered from DHEW through contract reimbursements. The auditors' analysis shows:

- . The receptionist and secretary spend approximately two thirds of the time working on Federal activities and one third of the time on non-Federal activities. The receptionist and secretary earn \$15,000 per year total
- . The office space budgeted under Federal activities is only that space used solely for Federal activities. An analysis of the space under the Foundation budget includes a reception area and a library. The auditors' review shows that the reception and library areas are also used for Federal activities and the estimated cost breakdown follows:

	<u>Federal</u>	<u>Foundation</u>	<u>Total</u>
<u>Usage (%)</u>			
Library	67	33	100
Reception Area	67	33	100
<u>Cost (based on budget estimates)</u>			
Library	\$30,000	\$15,000	\$45,000
Reception Area	10,000	5,000	15,000

- . The total estimated indirect cost for Federal review activities, based on budget estimates and supported by historical figures, amount to \$50,000, as follows:

. Direct Labor (Receptionist, Secretary)	\$10,000
. Office Space (Library; etc.)	40,000
Total	<u>\$50,000</u>

- . The auditors approved a provisional indirect cost rate based on estimated direct labor. The approved rate used for DHEW contract negotiations was 10%, as follows:

Est. Indirect Costs	\$50,000	= 10% (rounded)
*Est. Direct Labor	\$526,695	

*The \$526,695 is the budget for Federal activities; refer to the hypothetical budget summary under Case Study 1.

5.4.4 Activity Summary

The AAA PSRO completes the three month period ending 1 October 1975. The direct actual costs for Federal activities are the same as presented under Case Study 1. The non-Federal (Foundation) costs for the quarter equal the amounts budgeted, as follows:

Direct Labor	\$30,000
Travel	1,250
Other	18,750
Total	<u>\$50,000</u>

The above costs do not reflect the indirect cost recovery.

The AAA PSRO has claimed, and received through contract reimbursement, an indirect cost provision equal to 10% of Federal activity direct labor costs.

The remainder of this case consists of completing the BQA 151 cost report. The AAA PSRO costs for this case are identical to those in Case Study 1, except that cost components I through K are changed to reflect the indirect cost. The indirect costs for the quarter ending 1 October 1975 equal \$13,167 as follows:

Total Direct Labor (Refer to Case Study 1)

. Subtotal-Personnel Costs	\$118,625
. Employee Fringe Benefits	13,049
Total Direct Labor	<u>\$131,674</u>
Indirect Cost Rate (10%)	<u>\$ 13,167</u>

The AAA PSRO does not have to submit a BQA 151 cost report for non-Federal costs because the foundation activities are not review activities.

5.5.5 Recommended Case Solution (Case Study 3)

The recommended solution for Case Study 3 follows, including a completed BQA 151.

Costs Relate to: (check one) <input checked="" type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number						
		QUARTERLY PSRO FUNCTION COST SUMMARY		PSRO NAME AAA PSRO		PSRO NO.				
				REPORTING PERIOD		TO				
				DATES FROM	Month July Year 75					
		Month SEPT Year 75								
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS							TOTALS	
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs 1. Review Coordinators	NO. 24	\$ 47,150	\$ 3,425	\$ 16,325	\$	\$	\$	\$ 1,600	\$ 68,500	\$ 68,500
2. Technical	2	900	1,375	3,475	900			1,350	8,000	8,000
3. Administration	6	7,763	1,912	2,675	8,603			11,712	32,125	32,125
4. Support	5	3,750	150	1,100				5,000	10,000	10,000
5. Subtotal Personnel Costs	37	59,563	6,862	23,575	8,963			19,662	118,625	118,625
B. Employee Fringe Benefits		6,552	755	2,593	986			2,163	13,049	13,049
C. Premium Pay										
D. Consultants 1. Physician Advisors		6,860							6,860	6,860
2. Physicians		4,025							4,025	4,025
3. Data				500					500	500
4. Legal and Accounting								2,000	2,000	2,000
5.										
6.										
7. Subtotal Consultants		10,885		500				2,000	13,385	13,385

	FULL TIME EQUIVALENTS	FUNCTIONS							TOTALS	
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
E. Subcontract 1. EDP	NO.	\$	\$	\$ 9,000	\$	\$	\$	\$	\$ 9,000	\$ 9,000
2.										
3.										
4.										
5. Subtotal Subcontracts				9,000					9,000	9,000
F. Travel 1. Local Travel		593	64	247	238			158	1,300	1,300
2. Out of Area Travel				70				330	400	400
3. Subtotal		593	64	317	238			488	1,700	1,700
G. Furniture and Equipment								3,500	3,500	3,500
H. Support Costs 1. Office Space								4,225	4,225	4,225
2. Office Supplies								2,300	2,300	2,300
3. Reproduction and Printing								1,200	1,200	1,200
4. Postage								375	375	375
5. Telephone								1,770	1,770	1,770
6. Other Support Costs								520	520	520
7. Subtotal Support Costs								10,390	10,390	10,390
I. Indirect Costs (Rate 10 %)								13,167	13,167	13,167
J. Total		77,593	7,681	35,985	10,187			51,370	182,816	182,816
K. Cumulative FYTD		77,593	7,681	35,985	10,187			51,370	182,816	182,816

BQA 151 FORMS FOR COMPLETING
CASE STUDIES

Costs Relate to: (check one)		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		PSRO NO.			
<input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		QUARTERLY PSRO FUNCTION COST SUMMARY							
		REPORTING PERIOD							
		DATES FROM		TO					
		Month		Year		Month Year			
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS						TOTALS	
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)
A. Salaried Personnel Costs 1. Review Coordinators	NO.	\$	\$	\$	\$	\$	\$	\$	\$
2. Technical									
3. Administration									
4. Support									
5. Subtotal Personnel Costs									
B. Employee Fringe Benefits									
C. Premium Pay									
* D. Consultants 1. Physician Advisors									
2. Physicians									
3. Data									
4. Legal and Accounting									
5.									
6.									
7. Subtotal Consultants									

[illegible]

Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number								
PSRO NAME		PSRO NO.								
REPORTING PERIOD DATES FROM		TO								
Month	Year	Month	Year							
QUARTERLY PSRO FUNCTION COST SUMMARY										
Costs Relate to: (check one) <input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW										
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS							TOTALS	
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs 1. Review Coordinators	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
2. Technical										
3. Administration										
4. Support										
5. Subtotal Personnel Costs										
B. Employee Fringe Benefits										
C. Premium Pay										
* D. Consultants 1. Physician Advisors										
2. Physicians										
3. Data										
4. Legal and Accounting										
5.										
6.										
7. Subtotal Consultants										

[illegible]

Costs Relate to: (check one) <input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		PSRO NO.				
QUARTERLY PSRO FUNCTION COST SUMMARY				REPORTING PERIOD DATES FROM		TO				
				Month	Year	Month	Year			
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS							TOTALS	
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs 1. Review Coordinators	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
2. Technical										
3. Administration										
4. Support										
5. Subtotal Personnel Costs										
B. Employee Fringe Benefits										
C. Premium Pay										
D. Consultants 1. Physician Advisors										
2. Physicians										
3. Data										
4. Legal and Accounting										
5.										
6.										
7. Subtotal Consultants										

[illegible]

Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number								
Costs Relate to: (check one) <input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		PSRO NAME	PSRO NO.							
QUARTERLY PSRO FUNCTION COST SUMMARY		REPORTING PERIOD DATES FROM								
		Month	Year							
		Month	Year							
		Month	Year							
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS						TOTALS		
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs 1. Review Coordinators	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
2. Technical										
3. Administration										
4. Support										
5. Subtotal Personnel Costs										
B. Employee Fringe Benefits										
C. Premium Pay										
* D. Consultants 1. Physician Advisors										
2. Physicians										
3. Data										
4. Legal and Accounting										
5.										
6.										
7. Subtotal Consultants										

[illegible]

Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number								
Costs Relate to: (check one)		PSRO NAME	PSRO NO.							
<input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		REPORTING PERIOD DATES FROM								
QUARTERLY PSRO FUNCTION COST SUMMARY		Month	Year							
		Month	Year							
		Month	Year							
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS						TOTALS		
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs 1. Review Coordinators	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
2. Technical										
3. Administration										
4. Support										
5. Subtotal Personnel Costs										
B. Employee Fringe Benefits										
C. Premium Pay										
D. Consultants 1. Physician Advisors										
2. Physicians										
3. Data										
4. Legal and Accounting										
5.										
6.										
7. Subtotal Consultants										

[illegible]

Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		PSRO NO.	
Costs Relate to: (check one) <input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		QUARTERLY PSRO FUNCTION COST SUMMARY			
		REPORTING PERIOD DATES FROM		TO	
		Month		Year	
		Month		Year	

COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS						TOTALS		
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs 1. Review Coordinators	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
2. Technical										
3. Administration										
4. Support										
5. Subtotal Personnel Costs										
B. Employee Fringe Benefits										
C. Premium Pay										
D. Consultants 1. Physician Advisors										
2. Physicians										
3. Data										
4. Legal and Accounting										
5.										
6.										
7. Subtotal Consultants										

[illegible]

Costs Relate to: (check one) <input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget					
		QUARTERLY PSRO FUNCTION COST SUMMARY		Approval Number		PSRO NO.			
				PSRO NAME					
		REPORTING PERIOD DATES FROM		TO	Month	Year			
		Month	Year	Month	Year				
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS						TOTALS	
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)
A. Salaried Personnel Costs 1. Review Coordinators	NO.	\$	\$	\$	\$	\$	\$	\$	\$
2. Technical									
3. Administration									
4. Support									
5. Subtotal Personnel Costs									
B. Employee Fringe Benefits									
C. Premium Pay									
D. Consultants 1. Physician Advisors									
2. Physicians									
3. Data									
4. Legal and Accounting									
5.									
6.									
7. Subtotal Consultants									

[illegible]

Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number								
PSRO NAME		PSRO NO.								
REPORTING PERIOD DATES FROM		TO								
Month	Year	Month	Year							
QUARTERLY PSRO FUNCTION COST SUMMARY										
Costs Relate to: (check one) <input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW										
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS						TOTALS		
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
1. Review Coordinators										
2. Technical										
3. Administration										
4. Support										
5. Subtotal Personnel Costs										
B. Employee Fringe Benefits										
C. Premium Pay										
D. Consultants										
1. Physician Advisors										
2. Physicians										
3. Data										
4. Legal and Accounting										
5.										
6.										
7. Subtotal Consultants										

[illegible]

Costs Relate to: (check one)		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		PSRO NO.				
<input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON-FEDERAL REVIEW		QUARTERLY PSRO FUNCTION COST SUMMARY								
		REPORTING PERIOD								
		DATES FROM		TO						
		Month		Year		Month Year				
COST COMPONENTS	FULL TIME EQUIVALENTS	FUNCTIONS						TOTALS		
		CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)		ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)
A. Salaried Personnel Costs	NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
1. Review Coordinators										
2. Technical										
3. Administration										
4. Support										
5. Subtotal Personnel Costs										
B. Employee Fringe Benefits										
C. Premium Pay										
D. Consultants										
1. Physician Advisors										
2. Physicians										
3. Data										
4. Legal and Accounting										
5.										
6.										
7. Subtotal Consultants										

[illegible]

<div>Costs Relate to: (check one)</div> <div> <input type="checkbox"/> FEDERAL (XVIII, XIX, V) <input type="checkbox"/> NON FEDERAL REVIEW </div>		<div>Bureau of Quality Assurance Health Services Administration</div>		<div>Office of Management and Budget Approval Number</div>		<div>PSRO NAME</div>		<div>PSRO NO.</div>			
<div>QUARTERLY PSRO FUNCTION COST SUMMARY</div>				<div>REPORTING PERIOD DATES FROM</div>		<div>TO</div>		<div>Month Year</div>			
COST COMPONENTS		FULL TIME EQUIVALENTS	FUNCTIONS							TOTALS	
			CONCURRENT REVIEW (1)	MEDICAL CARE EVALUATION STUDIES (2)	PROFILE AND NORMS (3)	HOSPITAL ASSESSMENT AND MONITORING (4)	LONG TERM CARE REVIEW (5)	AMBULATORY CARE REVIEW (6)	ADMINISTRATIVE COSTS (7)	TOTAL FOR QUARTER (8)	CUMULATIVE TOTAL FYTD (9)
A. Salaried Personnel Costs 1. Review Coordinators		NO.	\$	\$	\$	\$	\$	\$	\$	\$	\$
2. Technical											
3. Administration											
4. Support											
5. Subtotal Personnel Costs											
B. Employee Fringe Benefits											
C. Premium Pay											
* D. Consultants 1. Physician Advisors											
2. Physicians											
3. Data											
4. Legal and Accounting											
5.											
6.											
7. Subtotal Consultants											

[illegible]

VI. CASE STUDIES FOR BQA 153 QUARTERLY DELEGATED
HOSPITAL FUNCTION COST SUMMARY

VI. CASE STUDIES FOR BQA 153 QUARTERLY DELEGATED
HOSPITAL FUNCTION COST SUMMARY

6.1 Introduction

This Section contains two case studies demonstrating completion of the BQA 153 form, as follows:

. Case Study 4

This case involves the identification of the basic accounting information for a hypothetical XX Hospital for the three month period ending December 31, 1975.

. The case includes:

- Introduction
- Chart of Accounts
- Hypothetical Data
- Recommended Case Solutions.

This case must be completed prior to proceeding to Case Study 5.

. Case Study 5

The case is the actual consolidation of quarterly BQA 153 data for PSRO submission to the Bureau of Quality Assurance. The scenario established under Case Study 1 is equally applicable to this case.

- Introduction
- Scenario
- Hypothetical Data
- Recommended Case Solutions.

Sample forms for use in completing the case study assignments are included at the end of the Section.

6.2 Case Study 4

6.2.1 Introduction

This case is included to provide the PSRO with material to be used in working with delegated hospitals pursuant to completing BQA 153.

Accounting systems used by the various hospitals will probably be different in structure, but should be capable of providing the data necessary for the report. Responsibility for completing the report should reside in the accounting department of each delegated hospital.

6.2.2 Chart of Accounts for Hospitals

Most hospitals have adopted the Chart of Accounts for Hospitals (American Hospital Association, 1973) as the nucleus of their accounting classification structure. The expense account division (600-999) may be the source for the BQA reporting. The information contained in the proposed PSRO Chart of Accounts may be useful as a model for establishing special hospital cost centers.

Delegated hospital administrators should be interested in a reasonably accurate collection of review costs for hospital management purposes; costs of review activities may be important considerations in determining future health care practices. It has been reported that a revised chart of accounts for hospitals is currently under development by the American Hospital Association and that separate accounts will be established for review costs.

6.2.3 Hypothetical Data

The XX Hospital has completed three months performing concurrent review and carrying out medical care evaluation studies in a delegated capacity. During the three month period ending December 31, 1975, the personnel have reviewed 600 Federal admissions and have initiated and concluded two MCE studies.

The following data summarizes typical delegated hospital activity; a 504 work hour base should be used for the quarter.

- . Four hospital staff physicians have been involved in the development and analysis of the MCE studies initiated at the hospital. A total of eighty (80) hours was devoted to this activity; the physicians are paid at a rate of \$50,000 per annum (equivalent to \$12,500 per quarter).
- . Of the 600 Federal admissions reviewed, 60 were referred to physician advisors who spent a total of ten hours reviewing these cases. Physician advisors are paid at the rate of \$35 per hour.
- . Two review coordinators are used for an equivalent of 1.5 FTE. Each review coordinator is paid at a rate of \$12,000 per annum.

In addition to concurrent review, the review coordinators spent an average of one hour preparing worksheets for each of the 120 cases meeting the MCE study criteria.

- . An Accredited Record Technician (ART) prepares the discharge abstracts using the medical record and review coordinator worksheets as the data source. Since the hospital subscribes to the Commission on Professional and Hospital Activities, Professional Activity Study (PAS), the case abstract is batched and forwarded to CPHA at the appropriate time. The ART spends about 15 minutes per abstract, or 150 hours during this particular quarter, for developing profile data.

The ART also coded the MCE study data on the discharge abstract form for the 120 cases. The average time required was 5 minutes per case, or 10 hours. The total ART time for the quarter is 160 hours or .32 FTE.

ART's are paid \$10,000 per annum.

- . Additional data processing costs required for processing the PSRO data elements amounts to 4¢ per abstract; data processing costs for additional data required for the MCE studies amounted to 5¢ per abstract.
- . The review coordinator's telephone log shows that long distance telephone calls costing \$90 were made in conducting Federal reviews.

Based upon the information provided, complete the BQA 153. The answer key to the above study follows this page.

6.2.4 Recommended Case Solutions (Case Study 4)

- Completed BQA 153 for a delegated hospital

No. Hospitals (Reviewing XVIII, XIX, V) Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		PSRO NAME XX Hospital		PSRO NO.		
REPORTING PERIOD DATES FROM:		TO		Month 10 Year 75		
Month 10 Year 76				Month 1 Year 76		
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS				TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	OTHER (5)	
A. Federal (XVIII, XIX, V) Review	(NO.)	(\$)	(\$)	(\$)	(\$)	(\$)
1. Personnel	.16		2,000			2,000
a. Physicians						
b. Physician Advisors	.02	350				350
c. Review Coordinators	1.5	3,786	714			4,500
d. Technical Personnel	.32		50	744		800
e. Other						
2. Subtotal Personnel	2.00	4,136	2,764	744		7,644
3. Other Direct Costs						
a.			6	24		30
b.		76	14			90
c.						
4. Subtotal Other Direct		76	20	24		120
5. Total Direct Costs for Federal Review		4,212	2,784	768		7,800
B. Non-Federal Review						
1. Total Direct Costs						

6.3 Case Study 5: Consolidation of the BQA 153

6.3.1 Introduction

PSROs are responsible for reviewing a quarterly BQA 153 from delegated hospitals and consolidating the information on a summary BQA 153. The PSRO must also report the number of delegated hospitals and the category of delegation, and forward the report to BQA within 45 days of the end of the reporting quarter.

6.3.2 Scenario

According to the scenario established under Case Study 1 (completing the BQA 151) there are 77 delegated hospitals; 27 hospitals delegated concurrent review and 50 delegated concurrent review and medical care evaluation studies. This information is summarized on the BQA 153 in the upper left corner (refer to the sample BQA 153).

This study is limited to consolidating data from three hypothetical hospitals. Assume that the BQA 153 is due for the quarter ending December 31, 1975, and the BQA 153's have been received from the following fully delegated hospitals:

- . Acorn Hospital
- . Pecan Hospital
- . Walnut Hospital.

6.3.3 Hypothetical Data

You are to prepare a consolidated BQA 153 based on the BQA 153's for the above hospitals; the reports follow this page. An answer key follows in section 6.3.4.

No. Hospitals (Reviewing XVIII, XIX, V) 1. Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		PSRO NAME Acorn Hospital		PSRO NO.		
REPORTING PERIOD DATES FROM		TO		Month 10 Year 75 Month 1 Year 76		
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS				TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	OTHER (5)	
A. Federal (XVIII, XIX, V) Review						
1. Personnel						
a. Physicians	1.0		4,000	2,000		6,000
b. Physician Advisors	1.0	5,000		1,000		6,000
c. Review Coordinators	4.0	10,000	2,000	1,000		13,000
d. Technical Personnel						
e. Other						
2. Subtotal Personnel		15,000	6,000	4,000		25,000
3. Other Direct Costs						
a. Data Processing			1,000	4,000		5,000
b. Office Space					750	750
c. Supplies		1,000				1,000
4. Subtotal Other Direct		1,000	1,000	4,000	750	6,750
5. Total Direct Costs for Federal Review		16,000	7,000	8,000	750	31,750
B. Non-Federal Review						
1. Total Direct Costs						

Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number			
No. Hospitals (Reviewing XVIII, XIX, V) <input type="checkbox"/> Total <input type="checkbox"/> Fully Delegated (CR and MCE Studies) <input type="checkbox"/> Delegated CR Only <input type="checkbox"/> Delegated MCE Studies only <input type="checkbox"/> Delegated MCE Studies and Partially CR <input type="checkbox"/> Partially Delegated CR Only		PSRO NAME Pecan Hospital	PSRO NO.		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		REPORTING PERIOD DATES FROM			
		Month 10	Year 75		
		Month 1	Year 76		
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS			TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	
A. Federal (XVIII, XIX, V) Review	(NO.)	(\$)	(\$)	(\$)	(\$)
1. Personnel					
a. Physicians	.25		2,000	500	2,500
b. Physician Advisors	.75	4,000		1,500	5,500
c. Review Coordinators	2.0	2,500			2,500
d. Technical Personnel					
e. Other					
2. Subtotal Personnel		6,500	2,000	2,000	10,500
3. Other Direct Costs					
a. Data Processing				3,000	3,000
b.					
c.					
4. Subtotal Other Direct				3,000	3,000
5. Total Direct Costs for Federal Review		6,500	2,000	5,000	13,500
B. Non-Federal Review					
1. Total Direct Costs					

No. Hospitals (Reviewing XVIII, XIX, V) <input type="checkbox"/> Total <input type="checkbox"/> Fully Delegated (CR and MCE Studies) <input type="checkbox"/> Delegated CR Only <input type="checkbox"/> Delegated MCE Studies only <input type="checkbox"/> Delegated MCE Studies and Partially CR <input type="checkbox"/> Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		PSRO NAME Walnut Hospital		PSRO NO.		
		REPORTING PERIOD DATES FROM		TO		
		Month 10 Year 75		Month 1 Year 76		
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS				TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	OTHER (5)	
A. Federal (XVIII, XIX, V) Review	(NO.)	(\$)	(\$)	(\$)	(\$)	(\$)
1. Personnel						
a. Physicians	.25		1,000	250		1,250
b. Physician Advisors	.50	2,000	500			3,000
c. Review Coordinators	1.0	1,200				1,200
d. Technical Personnel						
e. Other						
2. Subtotal Personnel		3,200	1,500	750		5,450
3. Other Direct Costs						
a. Data Processing				2,000		2,000
b. Telephone		150				150
c.						
4. Subtotal Other Direct		150		2,000		2,150
5. Total Direct Costs for Federal Review		3,350	1,500	2,750		7,600
B. Non-Federal Review						
1. Total Direct Costs						

6.3.4 Recommended Case Solution (Case Study 5)

Completed BQA 153 for a consolidated report.

No. Hospitals (Reviewing XVIII, XIX, V) 3 Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		PSRO NAME Rockville		PSRO NO.		
REPORTING PERIOD DATES FROM		TO		Month 10 Year 75		
Month 10 Year 76				Month 1 Year 76		
COST COMPONENTS		FULL TIME EQUIVALENTS (1)	FUNCTIONS			TOTAL (6)
			CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	OTHER (5)
A. Federal (XVIII, XIX, V) Review		(NO.)	(\$)	(\$)	(\$)	(\$)
1. Personnel						
a. Physicians		1.5		7,000	2,750	
b. Physician Advisors		2.25	11,000	500	3,000	
c. Review Coordinators		7.0	13,700	2,000	1,000	
d. Technical Personnel						
e. Other						
2. Subtotal Personnel			24,700	9,500	6,750	40,950
3. Other Direct Costs						
a. Data Processing				1,000	9,000	10,000
b. Telephone			150			150
c. Office Space/Supplies			1,000			750
4. Subtotal Other Direct			1,150	1,000	9,000	11,900
5. Total Direct Costs for Federal Review			28,850	10,500	15,750	52,850
B. Non-Federal Review						
1. Total Direct Costs						

BQA 153 FORMS
FOR COMPLETING CASE STUDIES

No. Hospitals (Reviewing XVIII, XIX, V) _____ Total _____ Fully Delegated (CR and MCE Studies) _____ Delegated CR Only _____ Delegated MCE Studies only _____ Delegated MCE Studies and Partially CR _____ Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number	
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		PSRO NAME		PSRO NO.	
		REPORTING PERIOD DATES FROM		TO	
		Month Year		Month Year	
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS			TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	
A. Federal (XVIII, XIX, V) Review	(NO.)	(\$)	(\$)	(\$)	(\$)
1. Personnel					
a. Physicians					
b. Physician Advisors					
c. Review Coordinators					
d. Technical Personnel					
e. Other					
2. Subtotal Personnel					
3. Other Direct Costs					
a.					
b.					
c.					
4. Subtotal Other Direct					
5. Total Direct Costs for Federal Review					
B. Non-Federal Review					
1. Total Direct Costs					

Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number			
No. Hospitals (Reviewing XVIII, XIX, V) Total _____ Fully Delegated (CR and MCE Studies) _____ Delegated CR Only _____ Delegated MCE Studies only _____ Delegated MCE Studies and Partially CR _____ Partially Delegated CR Only _____		PSRO NAME	PSRO NO.		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		REPORTING PERIOD DATES FROM _____ TO _____ Month Year Month Year			
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS			TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	
A. Federal (XVIII, XIX, V) Review	(NO.)	(5)	(5)	(5)	(5)
1. Personnel					
a. Physicians					
b. Physician Advisors					
c. Review Coordinators					
d. Technical Personnel					
e. Other					
2. Subtotal Personnel					
3. Other Direct Costs					
a.					
b.					
c.					
4. Subtotal Other Direct					
5. Total Direct Costs for Federal Review					
B. Non-Federal Review					
1. Total Direct Costs					

Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number			
No. Hospitals (Reviewing XVIII, XIX, V) Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		PSRO NAME	PSRO NO.		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		REPORTING PERIOD			
		DATES FROM Month Year	TO Month Year		
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS			TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	
A. Federal (XVIII, XIX, V) Review	(NO.)	(\$)	(\$)	(\$)	(\$)
1. Personnel					
a. Physicians					
b. Physician Advisors					
c. Review Coordinators					
d. Technical Personnel					
e. Other					
2. Subtotal Personnel					
3. Other Direct Costs					
a.					
b.					
c.					
4. Subtotal Other Direct					
5. Total Direct Costs for Federal Review					
B. Non-Federal Review					
1. Total Direct Costs					

No. Hospitals (Reviewing XVIII, XIX, V) Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		PSRO NAME PSRO NO.	
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY				REPORTING PERIOD DATES FROM Month Year		TO Month Year	
COST COMPONENTS		FULL TIME EQUIVALENTS (1)	FUNCTIONS			TOTAL (6)	
		(NO.)	CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	OTHER (5)	(\$)
A. Federal (XVIII, XIX, V) Review							
1. Personnel							
a. Physicians							
b. Physician Advisors							
c. Review Coordinators							
d. Technical Personnel							
e. Other							
2. Subtotal Personnel							
3. Other Direct Costs							
a.							
b.							
c.							
4. Subtotal Other Direct							
5. Total Direct Costs for Federal Review							
B. Non-Federal Review							
1. Total Direct Costs							

No. Hospitals (Reviewing XVIII, XIX, V) Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		PSRO NAME PSRO NO.	
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		REPORTING PERIOD DATES FROM		TO		Month Year Month Year	
COST COMPONENTS		FULL TIME EQUIVALENTS (1)	CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	OTHER (5)	TOTAL (6)
		(NO.)	(\$)	(\$)	(\$)	(\$)	(\$)
A. Federal (XVIII, XIX, V) Review							
1. Personnel							
a. Physicians							
b. Physician Advisors							
c. Review Coordinators							
d. Technical Personnel							
e. Other							
2. Subtotal Personnel							
3. Other Direct Costs							
a.							
b.							
c.							
4. Subtotal Other Direct							
5. Total Direct Costs for Federal Review							
B. Non-Federal Review							
1. Total Direct Costs							

No. Hospitals (Reviewing XVIII, XIX, V) Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number			
				PSRO NAME	PSRO NO.		
				REPORTING PERIOD			
				DATES FROM	TO		
				Month	Year		
				Month	Year		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY							
COST COMPONENTS		FUNCTIONS					
		FULL TIME EQUIVALENTS (1)	CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	OTHER (5)	TOTAL (6)
A. Federal (XVIII, XIX, V) Review							
1. Personnel							
a. Physicians							
b. Physician Advisors							
c. Review Coordinators							
d. Technical Personnel							
e. Other							
2. Subtotal Personnel							
3. Other Direct Costs							
a.							
b.							
c.							
4. Subtotal Other Direct							
5. Total Direct Costs for Federal Review							
B. Non-Federal Review							
1. Total Direct Costs							

No. Hospitals (Reviewing XVIII, XIX, V) Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		PSRO NAME		PSRO NO.		
REPORTING PERIOD DATES FROM		TO		Year Month Year		
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS				TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	OTHER (5)	
A. Federal (XVIII, XIX, V) Review	(NO.)	(3)	(3)	(5)	(5)	(6)
1. Personnel						
a. Physicians						
b. Physician Advisors						
c. Review Coordinators						
d. Technical Personnel						
e. Other						
2. Subtotal Personnel						
3. Other Direct Costs						
a.						
b.						
c.						
4. Subtotal Other Direct						
5. Total Direct Costs for Federal Review						
B. Non-Federal Review						
1. Total Direct Costs						

No. Hospitals (Reviewing XVIII, XIX, V) Total Fully Delegated (CR and MCE Studies) Delegated CR Only Delegated MCE Studies only Delegated MCE Studies and Partially CR Partially Delegated CR Only		Bureau of Quality Assurance Health Services Administration		Office of Management and Budget Approval Number		
QUARTERLY DELEGATED HOSPITAL FUNCTION COST SUMMARY		PSRO NAME		PSRO NO.		
REPORTING PERIOD DATES FROM		TO		Year Month Year		
COST COMPONENTS	FULL TIME EQUIVALENTS (1)	FUNCTIONS				TOTAL (6)
		CONCURRENT REVIEW (2)	MEDICAL CARE EVALUATION STUDIES (3)	PROFILES (4)	OTHER (5)	
A. Federal (XVIII, XIX, V) Review 1. Personnel a. Physicians	(NO.)	(\$)	(\$)	(\$)	(\$)	(\$)
b. Physician Advisors						
c. Review Coordinators						
d. Technical Personnel						
e. Other						
2. Subtotal Personnel						
3. Other Direct Costs						
a.						
b.						
c.						
4. Subtotal Other Direct						
5. Total Direct Costs for Federal Review						
B. Non-Federal Review 1. Total Direct Costs						

VII. PROBLEM LOG

VII. PROBLEM LOG

7.1 Problem Log Maintenance

In the following pages, problems encountered with these training materials and/or the Cost Reporting requirements should be fully documented. In turn, this documentation should be incorporated in each PSRO's PMIS Problem Log. PSROs should encourage all delegated hospitals to also maintain such a log, and should collect the documented problem issues on a periodic basis.

COST REPORTING PROBLEM LOG

1. OVERALL PROBLEM AREA

2. PARTICULAR ITEMS INVOLVED

3. RECOMMENDED SOLUTION(S)

Prepared By:

Date:

COST REPORTING PROBLEM LOG

1. OVERALL PROBLEM AREA

2. PARTICULAR ITEMS INVOLVED

3. RECOMMENDED SOLUTION(S)

Prepared By:

Date:

COST REPORTING PROBLEM LOG

1. OVERALL PROBLEM AREA

2. PARTICULAR ITEMS INVOLVED

3. RECOMMENDED SOLUTION(S)

Prepared By:

Date:

COST REPORTING PROBLEM LOG

1. OVERALL PROBLEM AREA

2. PARTICULAR ITEMS INVOLVED

3. RECOMMENDED SOLUTION(S)

Prepared By:

Date:

COST REPORTING PROBLEM LOG

1. OVERALL PROBLEM AREA

2. PARTICULAR ITEMS INVOLVED

3. RECOMMENDED SOLUTION(S)

Prepared By:

Date:

COST REPORTING PROBLEM LOG

1. OVERALL PROBLEM AREA

2. PARTICULAR ITEMS INVOLVED

3. RECOMMENDED SOLUTION(S)

Prepared By:

Date:

COST REPORTING PROBLEM LOG

1. OVERALL PROBLEM AREA

2. PARTICULAR ITEMS INVOLVED

3. RECOMMENDED SOLUTION(S)

Prepared By:

Date:

COST REPORTING PROBLEM LOG

1. OVERALL PROBLEM AREA

2. PARTICULAR ITEMS INVOLVED

3. RECOMMENDED SOLUTION(S)

Prepared By:

Date:

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